



Montana Legislative History

Chapter: 323 Session L: 2019

Bill Number: SB 276

Checklist of Bill History

History and Final Status Sheet	x
Introduced Bill	X
Fiscal Note	n/a
Third Reading Bill	X
Final Version of Bill	X

House

Committee: Local
Government

Hearing Date(s):

[March 21, 2019](#)

[March 26, 2019](#) (Exec. Action)

Conference Committee

Hearing Date(s): n/a

Conference Committee Report:

Senate

Committee: Judiciary

Hearing Date(s):

[Feb. 22, 2019](#)

[Feb. 25, 2019](#)

(Exec. Action)

Compiler Notes

Compiled by: sg

Date: 10/11/24

Notes:

Summary

Sponsoredby: [Webb, Roger](#)
(R) SD 23

Progress		
Status	Date	Passed
Introduced	02/18/19	✓
Passed (S) Committee	02/18/19	✓
Passed Senate	02/25/19	✓
Passed (H) Committee	02/27/19	✓
Passed House	03/27/19	✓
To Governor	04/03/19	✓

Draft #	LC0690
Amendment(s)	No
Chapter #	323
Current Status	Chapter Number Assigned
Co-Sponsor(s)	None
Drafter	Aldrich, Ginger
Requester	Webb, Roger
Fiscal Note	No

Preintroduction Required	No
Category	General Bills
Subject(s)	Property,
Transmittal Date	03/01/19
Return Date	04/08/19

Sections Affected	Effective Date	Qualifier
All Sections	10/01/2019	

Bill Explorer - SB 276: Revise laws related to condos and townhouses

Status

Date	Action	Committee	Yes Votes	No Votes
05/08/19	Chapter Number Assigned			
05/07/19	(S) Signed by Governor			
04/29/19	(S) Transmitted to Governor			
04/26/19	(H) Signed by Speaker			
04/16/19	(S) Signed by President			
04/12/19	(C) Printed - Enrolled Version Available			
04/11/19	(S) Returned from Enrolling			
04/09/19	(S) Sent to Enrolling			
04/09/19	(S) 3rd Reading Passed as Amended by House		39	11
04/09/19	(S) Scheduled for 3rd Reading			
04/08/19	(S) 2nd Reading House Amendments Concurred		43	6
04/08/19	(S) Scheduled for 2nd Reading			
04/03/19	(H) Returned to Senate with Amendments			
04/03/19	(H) 3rd Reading Concurred		99	0
04/03/19	(H) Scheduled for 3rd Reading			
04/02/19	(H) 2nd Reading Concurred		97	3

Date	Action	Committee	Yes Votes	No Votes
04/02/19	(H) Scheduled for 2nd Reading			
03/27/19	(C) Printed - New Version Available			
03/27/19	(H) Committee Report--Bill Concurred as Amended	(H) Local Government		
03/26/19	(H) Committee Executive Action-- Bill Concurred as Amended	(H) Local Government	17	0
03/21/19	(H) Hearing	(H) Local Government		
02/28/19	(H) First Reading	(H) Local Government		
02/28/19	(H) Referred to Committee	(H) Local Government		
02/27/19	(S) Transmitted to House			
02/27/19	(S) 3rd Reading Passed		35	15
02/27/19	(S) Scheduled for 3rd Reading			
02/27/19	(S) 2nd Reading Passed		36	14
02/27/19	(S) Scheduled for 2nd Reading			
02/25/19	(S) Committee Report--Bill Passed	(S) Judiciary		
02/25/19	(S) Committee Executive Action-- Bill Passed	(S) Judiciary	9	1
02/22/19	(S) Hearing	(S) Judiciary		
02/18/19	(C) Introduced Bill Text Available Electronically			
02/18/19	(S) Referred to Committee	(S) Judiciary		
02/18/19	(S) First Reading			
02/18/19	(S) Introduced			

Date	Action	Committee	Yes Votes	No Votes
02/18/19	(C) Draft Delivered to Requester			
02/16/19	(C) Draft Ready for Delivery			
02/16/19	(C) Executive Director Final Review			
02/15/19	(C) Draft in Assembly			
02/15/19	(C) Executive Director Review			
02/15/19	(C) Bill Draft Text Available Electronically			
02/15/19	(C) Draft in Final Drafter Review			
02/14/19	(C) Draft in Input/Proofing			
02/14/19	(C) Draft to Drafter - Edit Review [SMH]			
02/14/19	(C) Draft in Edit			
02/13/19	(C) Draft in Legal Review			
02/13/19	(C) Draft to Requester for Review			
02/12/19	(C) Draft to Requester for Review			
01/30/19	(C) Draft Taken Off Hold			
01/03/19	(C) Draft On Hold			
12/28/18	(C) Draft to Requester for Review			
11/02/18	(C) Draft Request Received			

Showing 1 to 52 of 52 entries

Fiscal

Date	Status
No matching results found	
Fiscal Documents	
No matching results found	
Fiscal Rebuttals	
No matching results found	

Amendments

Amendment	Condensed Version
No Amendments found	

Documents And Links

Previous Versions

[SB0276_x.pdf](#)

[SB0276_2.pdf](#)

[SB0276_1.pdf](#)

Other

None

(4)(5) A traction license does not entitle its holder to operate any other class of steam machinery.”

Section 5. Section 50-74-307, MCA, is amended to read:

“50-74-307. Requirements for traction licenses. (1) An applicant for a traction engineer’s license:

(1)(a) must be 18 years of age or older;

(2)(b) shall attend a steam school approved by the department by rule and may apply steam school hours to the hour requirement established in subsection (3);

(3)(c) must have at least 50 hours total experience in the operation of steam traction engines; and

(4)(d) shall successfully pass a written examination prescribed by the department.

(2) *The department may issue a license to an individual holding a valid license from another state under 50-74-306 if the individual is from a state that has standards greater than or equal to the state of Montana.”*

Section 6. Effective date. [This act] is effective on passage and approval.

Approved May 7, 2019

CHAPTER NO. 323

[SB 276]

AN ACT GENERALLY REVISING CONDOMINIUM AND TOWNHOUSE LAWS; PROVIDING REQUIREMENTS FOR AND EFFECTS OF A CONVERSION OF A CONDOMINIUM TO A TOWNHOUSE UNDER THE UNITOWNERSHIPACT;REQUIRING THAT NOTICE OF THE CONVERSION AND AN OPPORTUNITY FOR OBJECTION BE GIVEN TO CERTAIN PARTIES; EXEMPTING CERTAIN CONVERSIONS OF A CONDOMINIUM TO A TOWNHOUSE FROM STATE AND LOCAL SUBDIVISION REVIEW; PROVIDING DEFINITIONS; AND AMENDING SECTIONS 70-23-102, 76-3-203, AND 76-4-111, MCA.

Be it enacted by the Legislature of the State of Montana:

Section 1. Conversion of condominium to townhouse. (1) A condominium may be converted to a townhome or townhouse only if:

(a) no other structure occupies the vertical air space above or below the unit’s converted footprint;

(b) all condominium units subject to the recorded condominium declaration are simultaneously converted to townhome or townhouse units; and

(c) all of the unit owners owning units subject to the recorded condominium declaration consent to the conversion by executing and recording an instrument to that effect and adhering to the requirements of this section.

(2) If a condominium unit is affected by a lien, the unit owner shall obtain the lienholder’s written consent to the conversion. If a lienholder does not provide written consent to the conversion, the unit owner may consent on behalf of the lienholder only according to the following provisions:

(a) The unit owner shall deliver by certified mail, return receipt requested, to each affected lienholder or its servicer at the address specified in the recorded trust indenture or mortgage, the address specified in the last recorded assignment of the trust indenture or the mortgage, if any, and the address specified in the last mailed request for loan payment the following documents:

(i) written notification pursuant to [section 2];

(ii) a litigation guarantee, provided that:

(A) the form of the guarantee has been approved by the insurance commissioner and is issued by a licensed title insurance producer;

(B) the guarantee was ordered on the unit by the person required to give notice; and

(C) the guarantee lists the identities and addresses of the parties of record that have an interest in or a possible claim of an interest in the unit designed to disclose all parties of record that would otherwise be necessary to name in a quiet title action;

(iii) the proposed declaration and bylaws for the converted townhomes or townhouses that:

(A) provides that the percentage of the undivided interest of each unit owner in the common area is the same as the percentage of undivided interest owned by the owner in the common elements prior to the conversion; and

(B) provides for the continuation of the prior condominium association of unit owners as a townhouse association of unit owners;

(iv) a surveyed site plan that:

(A) includes the boundaries of the footprint beneath each converted unit and any limited common elements, such as decks, patios, and walkways, that will be included in the conversion; and

(B) depicts the corners and boundaries of the property underlying each converted townhome or townhouse; and

(v) an appraisal of the fair market value of the unit presuming that the unit had been converted to a townhome or townhouse for the purpose of establishing that the fair market value of the unit as a townhome or townhouse is not less than the fair market value of the existing condominium unit.

(b) Within 120 days of the date of the mailing in subsection (2)(a), a lienholder may object only by:

(i) recording its objection with the office of the county clerk and recorder of the county in which the unit is situated; and

(ii) mailing notification of its objection by certified mail, return receipt requested, to the unit owner at the address specified on the notice of intent received pursuant to [section 2].

(c) If a lienholder does not register an objection pursuant to subsection (2)(b), the lienholder is considered to have consented to the conversion after the expiration of the 120-day period.

(3) (a) Except as provided in subsection (3)(b), if the unit subject to conversion is not affected by a lien or if each lienholder has consented or is considered to have consented to the conversion pursuant to this section, the conversion is effective upon the recording of all of the following documents pertaining to each of the condominium units on the property with the office of the county clerk and recorder of the county in which the property is situated:

(i) an affidavit stating that the owner mailed the required notices of intent pursuant to [section 2];

(ii) the declaration and bylaws, which must be substantially the same as the proposed declaration and bylaws specified in subsection (2)(a)(iii);

(iii) the surveyed site plan referenced in subsection (2)(a)(iv); and

(iv) evidence of the written consent of each affected lienholder. Sufficient evidence of written consent may be made through documents including but not limited to deeds, loan modifications, or the instrument reflecting a unit owner's consent on behalf of the lienholder as provided in [section 3].

(b) If a lienholder is considered to have consented pursuant to subsection (2)(c), the unit owner may record the documents within 45 days after the expiration of the 120-day period provided in subsection (2)(b).

Section 2. Notice of intent. (1) In addition to the documents required under [section 1(2)(a)], the notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse must contain:

- (a) the date;
- (b) the name and address of the borrower;
- (c) the name of the lienholder; and
- (d) the name of the loan servicer if loan payments on a trust indenture or mortgage are collected by a loan servicer.

(2) The notice must be in substantially the following form:

"This notice, made the ... day of,, concerns the trust indenture or mortgage attached and described as follows:

Name of borrower:

Name of lienholder:

Name of loan servicer:

Recording information concerning the trust indenture or mortgage, including the entry number, book number, and page number:

Pursuant to the Unit Ownership Act contained in Title 70, chapter 23, MCA, the undersigned unit owner intends to convert a condominium affected by a mortgage or a trust indenture located at to a townhome or townhouse.

Unless the lienholder within 120 days of the date of this notice records its objection pursuant to [section 1], MCA, with the office of the county clerk and recorder of the county in which the property is situated and mails notification of its objection by certified mail, return receipt requested, to the unit owner at the address specified on this notice, the unit owner will consent to the conversion on behalf of the lienholder for the mortgage or trust indenture described in this notice.

Pursuant to [section 1(2)(a)], MCA, the unit owner has included the following attachments:

- (a) a copy of the recorded trust indenture or mortgage;
- (b) a litigation guarantee;
- (c) the proposed declaration and bylaws for the converted townhome or townhouses;
- (d) a surveyed site plan; and
- (e) an appraisal of the fair market value of each unit presuming that each unit had been converted to a townhome or townhouse.

..... (Signature of unit owner)

..... (Address of unit owner)"

Section 3. Consent by unit owner on behalf of lienholder. The instrument reflecting a unit owner's consent on behalf of the lienholder to convert a secured property from a condominium to a townhome or townhouse must be in substantially the following form:

"(Unit owner) hereby consents on behalf of (name of lienholder), whose lien is evidenced by a trust indenture or mortgage recorded in County on day of,, in book at page as entry number to the following property in County being converted from a condominium described as to a townhome or townhouse described as

The undersigned unit owner certifies as follows:

(1) In accordance with the requirements of [sections 1 and 2], MCA, the unit owner has delivered to the lienholder a notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse.

(2) The lienholder has not affirmatively consented to the conversion, but the unit owner did not receive a notice of objection to the conversion from the lienholder within 120 days of the date of the notice of intent to convert

a condominium to a townhome or townhouse as required to object to the conversion by [section 1], MCA.

..... (Signature of unit owner)

..... (Notarization)"

Section 4. Effect of conversion. Regarding a conversion pursuant to [section 1], the following provisions apply:

(1) (a) A townhome or townhouse unit, including the structural elements and land beneath the unit as described in the surveyed site plan in [section 1(2)(a)(iv)], must be considered to be owned in fee simple by the unit owner;

(b) a portion of the land depicted as common area on the surveyed site plan described in [section 1(2)(a)(iv)] must be considered to be owned in common by all of the converted townhome or townhouse unit owners. The percentage of the undivided interest of each unit owner in the common area must be considered to be the same as the percentage of undivided interest owned by the owner in the common elements prior to the conversion.

(c) a lien affecting a townhome or townhouse unit is a lien against the fee simple interest of the unit owner in subsection (1)(a) and the undivided interest in the common area described in subsection (1)(b). The conversion, by itself, may not be considered to have an effect on the existing priorities of any liens concerning the converted townhome or townhouse units.

(2) The owners, lienholders, and title insurers may rely on the amended declaration's legal description of the unit provided by the surveyed site plan in [section 1(2)(a)(iv)] with regard to the future conveyance of individual townhome or townhouse units.

(3) Section 71-1-108 applies to the fee simple title to the land beneath a townhome or townhouse unit acquired by the mortgagor pursuant to the conversion.

(4) Because the amended declaration must provide for the continuation of the association of unit owners pursuant to [section 1(2)(a)(iii)(B)], the unit owners may not be required to form a new association of unit owners.

(5) The townhome or townhouse may not be considered removed from the provisions of Title 70, chapter 23, solely by virtue of the conversion.

(6) If the conversion procedures in [section 1] are followed, a unit owner or lienholder may not bring an action concerning the conversion, including a foreclosure based solely on the conversion, against any party associated with the conversion, including but not limited to the association of unit owners, title insurers, escrow providers, or lienholders. A person who brings an action concerning the conversion is liable for damages and attorney fees and costs to defend the action.

(7) If a foreclosure of a unit is conducted using the original condominium legal description in the trust indenture or mortgage, it will result in the foreclosure of the converted townhome or townhouse.

(8) A conversion does not constitute a removal pursuant to this chapter.

Section 5. Nonapplicability – building codes – zoning regulations. Nothing in [sections 1 through 5] may be interpreted to modify, expand, or abrogate the applicability of state or local building codes or zoning regulations to a condominium, townhome, townhouse, or conversion.

Section 6. Section 70-23-102, MCA, is amended to read:

"70-23-102. Definitions. In this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Association of unit owners" means all the unit owners acting as a group in accordance with the declaration and bylaws.

(2) "Borrower" means a mortgagor, grantor as defined in 71-1-303, or other debtor.

(2)(3) "Building" means a multiple-unit building or buildings comprising a part of the property.

(3)(4) "Common elements" means the general common elements and the limited common elements.

(4)(5) "Common expenses" means:

(a) expenses of administration, maintenance, repair, or replacement of the common elements;

(b) expenses agreed upon as common by all the unit owners; and

(c) expenses declared common by 70-23-610 and 70-23-612 or by the declaration or the bylaws of the particular condominium.

(5)(6) "Community land trust" means a nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code that holds title to land beneath individually owned housing units for the purpose of preserving affordable housing.

(6)(7) "Condominium" means the ownership of single units with common elements located on property submitted to the provisions of this chapter. The term does not include a townhome, a townhouse, a community land trust, or a housing unit located on land belonging to a community land trust.

(8) "*Conversion*" means a change in the character of residential real property from one or more parcels of land with attached condominium units to one or more parcels of land with attached townhome or townhouse units without a change to the undivided interest of the unit owners.

(7)(9) "Declaration" means the instrument by which the property is submitted to the provisions of this chapter.

(8)(10) "General common elements", unless otherwise provided in a declaration or by consent of all the unit owners, means:

(a) the land on which the building is located, except any portion of the land included in a unit or made a limited common element by the declaration;

(b) the foundations, columns, girders, beams, supports, mainwalls, roofs, halls, corridors, lobbies, stairs, fire escapes, entrances, and exits of the building;

(c) the basements, yards, gardens, parking areas, and outside storage spaces, private pathways, sidewalks, and private roads;

(d) installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal, and incinerating;

(e) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use;

(f) the premises for the lodging of janitors or caretakers of the property; and

(g) all other elements of the building necessary or convenient to its existence, maintenance, and safety or normally in common use.

(11) "*Lienholder*" means a person holding a security interest, including a mortgagee, beneficiary of a trust indenture, or other creditor who holds a mortgage, trust indenture, or other instrument that encumbers real property.

(9)(12) "Limited common elements" means those common elements designated in the declaration or by agreement of all the unit owners as reserved for the use of a certain unit or number of units to the exclusion of the other units.

(10)(13) "Majority" or "majority of the unit owners", unless otherwise provided in the declaration, means the owners of more than 50% in the aggregate of the undivided ownership interests in the general common elements as the percentage of interest in the element appertaining to each unit is expressed in the declaration. Whenever a percentage of the unit owners is specified, percentage means the percentage in the aggregate of undivided ownership.

(11)(14) "Manager" means the manager, board of managers, or other person in charge of the administration of or managing the property.

(12)(15) "Project" means a real estate condominium project whereby a condominium of two or more units located on property submitted to the provisions of this chapter ~~are~~ is offered or proposed to be offered for sale.

(13)(16) "Property" means the land, all buildings, improvements, and structures on the land, and all easements, rights, and appurtenances belonging to the land that are submitted to the provisions of this chapter.

(14)(17) "Recording officer" means the county officer charged with the duty of filing and recording deeds and mortgages or other instruments or documents affecting the title to real property.

(15)(18) "Townhome" or "townhouse" means property that is owned subject to an arrangement under which persons own their own units and hold separate title to the land beneath their units, but under which they may jointly own the common areas and facilities.

(16)(19) "Unit" means a part of the property including one or more rooms occupying one or more floors or a part or parts of the property intended for any type of independent use and with a direct exit to a public street or highway or to a common area or area leading to a public street or highway.

(17)(20) "Unit designation" means the number, letter, or combination of numbers and letters designating a unit in the declaration.

(18)(21) "Unit owner" means the person owning a unit in fee simple absolute individually or as co-owner in any real estate tenancy relationship recognized under the laws of this state. However, for all purposes, including the exercise of voting rights, provided by lease filed with the presiding officer of the association of unit owners, a lessee of a unit must be considered a unit owner."

Section 7. Section 76-3-203, MCA, is amended to read:

"76-3-203. Exemption for certain condominiums and townhouses.

Condominiums, townhomes, or townhouses, or conversions, as those terms are defined in 70-23-102, constructed on land subdivided in compliance with parts 5 and 6 of this chapter or on lots within incorporated cities and towns are exempt from the provisions of this chapter if:

(1) the approval of the original subdivision of land expressly contemplated the construction of the condominiums, townhomes, or townhouses and any applicable park dedication requirements in 76-3-621 are complied with; or

(2) the condominium, townhome, or townhouse proposal is in conformance with applicable local zoning regulations when local zoning regulations are in effect."

Section 8. Section 76-4-111, MCA, is amended to read:

"76-4-111. Exemption for certain condominiums, townhomes, and townhouses. (1) Condominiums, townhomes, or townhouses, as those terms are defined in 70-23-102, constructed on land divided in compliance with the Montana Subdivision and Platting Act and this part are exempt from the provisions of this part.

(2) Whenever a parcel of land has previously been reviewed under either department requirements or local health requirements and has received approval for a given number of living units, the construction or conversion of the same or a fewer number of condominium units, townhomes, or townhouses on that parcel is not subject to the provisions of this part, provided that no new extension of a public water supply system or extension of a public sewage system is required."

Section 9. Codification instruction. [Sections 1 through 5] are intended to be codified as an integral part of Title 70, chapter 23, and the provisions of Title 70, chapter 23, apply to [sections 1 through 5].

Section 10. Nonapplicability. Nothing in [this act] may be interpreted to modify or expand existing insurance coverage on a condominium unit, townhome, or townhouse.

Approved May 7, 2019

CHAPTER NO. 324

[SB 286]

AN ACT CREATING A PROCEDURE REGARDING MICROCHIP IMPLANTATION; PROHIBITING THE IMPLANTATION OF MICROCHIPS IN EMPLOYEES WITHOUT WRITTEN PERMISSION; REQUIRING REMOVAL OF THE MICROCHIP UPON REQUEST OF THE EMPLOYEE; REQUIRING THE MICROCHIP TO CEASE TRANSMITTING WHEN THE EMPLOYEE LEAVES THE JOB THAT CAUSED THE EMPLOYEE TO BE MICROCHIPPED; PROHIBITING GOVERNMENT FROM REQUIRING MICROCHIPPING; AND PROVIDING DEFINITIONS.

Be it enacted by the Legislature of the State of Montana:

Section 1. Definitions. As used in [sections 1 through 3], the following definitions apply:

(1) “Employee” means a person who works for another for hire and includes independent contractors.

(2) “Employer” means a person or entity that has one or more employees or independent contractors.

(3) “Local government” means a county, consolidated city-county, city, town, township, school district, or other district or local public entity with the authority to spend or receive public funds.

(4) “Microchip” means technology that:

(a) is designed to be surgically implanted in the body of an individual; and
(b) contains a unique identification number and personal information that can be noninvasively retrieved or transmitted with an external scanning device.

(5) “State agency” means a department, board, commission, office, bureau, or other public authority of state government.

Section 2. Employer requirement of microchip implantation prohibited – use with consent authorized. (1) An employer is prohibited from requiring an employee to have a microchip implanted in the employee’s body as a condition of employment.

(2) A microchip may be implanted in an employee’s body at the request of an employer if the employee provides the employer with written consent.

(3) (a) An employee may request the removal of the microchip at any time.

(b) If an employee requests the removal of the microchip, the microchip must be removed within 30 days of the employee’s request.

(4) If an employee receives a microchip at the request of an employer, the employer is required to:

(a) pay all the costs associated with implanting and removing the microchip;

(b) pay all the medical costs incurred by the employee as a result of any bodily injury to the employee caused by the implantation of the microchip or the presence of the microchip in the employee’s body; and

SENATE BILL NO. 276

INTRODUCED BY R. WEBB

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING CONDOMINIUM AND TOWNHOUSE LAWS; PROVIDING REQUIREMENTS FOR AND EFFECTS OF A CONVERSION OF A CONDOMINIUM TO A TOWNHOUSE UNDER THE UNIT OWNERSHIP ACT; REQUIRING THAT NOTICE OF THE CONVERSION AND AN OPPORTUNITY FOR OBJECTION BE GIVEN TO CERTAIN PARTIES; EXEMPTING CERTAIN CONVERSIONS OF A CONDOMINIUM TO A TOWNHOUSE FROM STATE AND LOCAL SUBDIVISION REVIEW; PROVIDING DEFINITIONS; AMENDING SECTIONS 70-23-102, 76-3-203, AND 76-4-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Conversion of condominium to townhouse. (1) A condominium may be converted to a townhome or townhouse only if:

(a) no other structure occupies the vertical air space above or below the unit's converted footprint;

(b) all condominium units subject to the recorded condominium declaration are simultaneously converted to townhome or townhouse units; and

(c) all of the unit owners owning units subject to the recorded condominium declaration consent to the conversion by executing and recording an instrument to that effect and adhering to the requirements of this section.

(2) If a condominium unit is affected by a lien, the unit owner shall obtain the lienholder's written consent to the conversion. If a lienholder does not provide written consent to the conversion, the unit owner may consent on behalf of the lienholder only according to the following provisions:

(a) The unit owner shall deliver by certified mail, return receipt requested, to each affected lienholder or its servicer at the address specified in the recorded trust indenture or mortgage, the address specified in the last recorded assignment of the trust indenture or the mortgage, if any, and the address specified in the last mailed request for loan payment the following documents:

- (i) written notification pursuant to [section 2];
- (ii) a litigation guarantee, provided that:

1 (A) the form of the guarantee has been approved by the insurance commissioner and is issued by a
2 licensed title insurance producer;

3 (B) the guarantee was ordered on the unit by the person required to give notice; and

4 (C) the guarantee lists the identities and addresses of the parties of record that have an interest in or
5 a possible claim of an interest in the unit designed to disclose all parties of record that would otherwise be
6 necessary to name in a quiet title action;

7 (iii) the proposed declaration and bylaws for the converted townhomes or townhouses that:

8 (A) provides that the percentage of the undivided interest of each unit owner in the common area is the
9 same as the percentage of undivided interest owned by the owner in the common elements prior to the
10 conversion; and

11 (B) provides for the continuation of the prior condominium association of unit owners as a townhouse
12 association of unit owners;

13 (iv) a site plan that includes the boundaries of the footprint beneath each converted unit and any limited
14 common elements, such as decks, patios, and walkways, that will be included in the conversion;

15 (v) a survey depicting the corners and boundaries of the property underlying each converted townhome
16 or townhouse; and

17 (vi) an appraisal of the fair market value of the unit presuming that the unit had been converted to a
18 townhome or townhouse for the purpose of establishing that the fair market value of the unit as a townhome or
19 townhouse is not less than the fair market value of the existing condominium unit.

20 (b) Within 120 days of the date of the mailing in subsection (2)(a), a lienholder may object only by:

21 (i) recording its objection with the office of the county clerk and recorder of the county in which the unit
22 is situated; and

23 (ii) mailing notification of its objection by certified mail, return receipt requested, to the unit owner at the
24 address specified on the notice of intent received pursuant to [section 2].

25 (c) If a lienholder does not register an objection pursuant to subsection (2)(b), the lienholder is
26 considered to have consented to the conversion after the expiration of the 120-day period.

27 (3) (a) Except as provided in subsection (3)(b), if the unit subject to conversion is not affected by a lien
28 or if each lienholder has consented or is considered to have consented to the conversion pursuant to this section,
29 the conversion is effective upon the recording of all of the following documents pertaining to each of the
30 condominium units on the property with the office of the county clerk and recorder of the county in which the

property is situated:

(i) an affidavit stating that the owner mailed the required notices of intent pursuant to [section 2];

(ii) the declaration and bylaws, which must be substantially the same as the proposed declaration and bylaws specified in subsection (2)(a)(iii);

(iii) the site plan referenced in subsection (2)(a)(iv);

(iv) the survey referenced in subsection (2)(a)(v); and

(v) evidence of the written consent of each affected lienholder. Sufficient evidence of written consent may be made through documents including but not limited to deeds, loan modifications, or the instrument reflecting a unit owner's consent on behalf of the lienholder as provided in [section 3].

(b) If a lienholder is considered to have consented pursuant to subsection (2)(c), the unit owner may record the documents within 45 days after the expiration of the 120-day period provided in subsection (2)(b).

NEW SECTION. Section 2. Notice of intent. (1) In addition to the documents required under [section 1(2)(a)], the notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse must contain:

(a) the date;

(b) the name and address of the borrower;

(c) the name of the lienholder; and

(d) the name of the loan servicer if loan payments on a trust indenture or mortgage are collected by a loan servicer.

(2) The notice must be in substantially the following form:

"This notice, made the ... day of,, concerns the trust indenture or mortgage attached and described as follows:

Name of borrower:

Name of lienholder:

Name of loan servicer:

Recording information concerning the trust indenture or mortgage, including the entry number, book number, and page number:

Pursuant to the Unit Ownership Act contained in Title 70, chapter 23, MCA, the undersigned unit owner intends to convert a condominium affected by a mortgage or a trust indenture located at to a townhome

1 or townhouse.

2 Unless the lienholder within 120 days of the date of this notice records its objection pursuant to [section
3 1], MCA, with the office of the county clerk and recorder of the county in which the property is situated and mails
4 notification of its objection by certified mail, return receipt requested, to the unit owner at the address specified
5 on this notice, the unit owner will consent to the conversion on behalf of the lienholder for the mortgage or trust
6 indenture described in this notice.

7 Pursuant to [section 1(2)(a)], MCA, the unit owner has included the following attachments:

8 (a) a copy of the recorded trust indenture or mortgage;

9 (b) a litigation guarantee;

10 (c) the proposed declaration and bylaws for the converted townhome or townhouses;

11 (d) a site plan;

12 (e) a survey; and

13 (f) an appraisal of the fair market value of each unit presuming that each unit had been converted to a
14 townhome or townhouse.

15 (Signature of unit owner)

16 (Address of unit owner)"

17
18 **NEW SECTION. Section 3. Consent by unit owner on behalf of lienholder.** The instrument reflecting
19 a unit owner's consent on behalf of the lienholder to convert a secured property from a condominium to a
20 townhome or townhouse must be in substantially the following form:

21 "(Unit owner) hereby consents on behalf of (name of lienholder), whose lien is evidenced by a trust
22 indenture or mortgage recorded in County on day of,, in book at page as entry number
23 to the following property in County being converted from a condominium described as to a
24 townhome or townhouse described as

25 The undersigned unit owner certifies as follows:

26 (1) In accordance with the requirements of [sections 1 and 2], MCA, the unit owner has delivered to the
27 lienholder a notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or
28 townhouse.

29 (2) The lienholder has not affirmatively consented to the conversion, but the unit owner did not receive
30 a notice of objection to the conversion from the lienholder within 120 days of the date of the notice of intent to

convert a condominium to a townhome or townhouse as required to object to the conversion by [section 1], MCA.

..... (Signature of unit owner)

..... (Notarization)"

NEW SECTION. Section 4. Effect of conversion. Regarding a conversion pursuant to [section 1], the following provisions apply:

(1) (a) A townhome or townhouse unit, including the structural elements and land beneath the unit as described in the survey in [section 1(2)(a)(v)], must be considered to be owned in fee simple by the unit owner;

(b) a portion of the land depicted as common area on the site plan described in [section 1(2)(a)(iv)] must be considered to be owned in common by all of the converted townhome or townhouse unit owners. The percentage of the undivided interest of each unit owner in the common area must be considered to be the same as the percentage of undivided interest owned by the owner in the common elements prior to the conversion.

(c) a lien affecting a townhome or townhouse unit is a lien against the fee simple interest of the unit owner in subsection (1)(a) and the undivided interest in the common area described in subsection (1)(b). The conversion, by itself, may not be considered to have an effect on the existing priorities of any liens concerning the converted townhome or townhouse units.

(2) The owners, lienholders, and title insurers may rely on the amended declaration's legal description of the unit provided by the survey in [section 1(2)(a)(v)] with regard to the future conveyance of individual townhome or townhouse units.

(3) Section 71-1-108 applies to the fee simple title to the land beneath a townhome or townhouse unit acquired by the mortgagor pursuant to the conversion.

(4) Because the amended declaration must provide for the continuation of the association of unit owners pursuant to [section 1(2)(a)(iii)(B)], the unit owners may not be required to form a new association of unit owners.

(5) The townhome or townhouse may not be considered removed from the provisions of Title 70, chapter 23, solely by virtue of the conversion.

(6) If the conversion procedures in [section 1] are followed, a unit owner or lienholder may not bring an action concerning the conversion, including a foreclosure based solely on the conversion, against any party associated with the conversion, including but not limited to the association of unit owners, title insurers, escrow providers, or lienholders. A person who brings an action concerning the conversion is liable for damages and attorney fees and costs to defend the action.

(7) If a foreclosure of a unit is conducted using the original condominium legal description in the trust indenture or mortgage, it will result in the foreclosure of the converted townhome or townhouse.

(8) A conversion does not constitute a removal pursuant to this chapter.

Section 5. Section 70-23-102, MCA, is amended to read:

"70-23-102. Definitions. In this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Association of unit owners" means all the unit owners acting as a group in accordance with the declaration and bylaws.

(2) "Borrower" means a mortgagor, grantor as defined in 71-1-303, or other debtor.

~~(2)~~(3) "Building" means a multiple-unit building or buildings comprising a part of the property.

~~(3)~~(4) "Common elements" means the general common elements and the limited common elements.

~~(4)~~(5) "Common expenses" means:

(a) expenses of administration, maintenance, repair, or replacement of the common elements;

(b) expenses agreed upon as common by all the unit owners; and

(c) expenses declared common by 70-23-610 and 70-23-612 or by the declaration or the bylaws of the particular condominium.

~~(5)~~(6) "Community land trust" means a nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code that holds title to land beneath individually owned housing units for the purpose of preserving affordable housing.

~~(6)~~(7) "Condominium" means the ownership of single units with common elements located on property submitted to the provisions of this chapter. The term does not include a townhome, a townhouse, a community land trust, or a housing unit located on land belonging to a community land trust.

(8) "Conversion" means a change in the character of residential real property from one or more parcels of land with attached condominium units to one or more parcels of land with attached townhome or townhouse units without a change to the undivided interest of the unit owners.

~~(7)~~(9) "Declaration" means the instrument by which the property is submitted to the provisions of this chapter.

~~(8)~~(10) "General common elements", unless otherwise provided in a declaration or by consent of all the unit owners, means:

(a) the land on which the building is located, except any portion of the land included in a unit or made a limited common element by the declaration;

(b) the foundations, columns, girders, beams, supports, mainwalls, roofs, halls, corridors, lobbies, stairs, fire escapes, entrances, and exits of the building;

(c) the basements, yards, gardens, parking areas, and outside storage spaces, private pathways, sidewalks, and private roads;

(d) installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal, and incinerating;

(e) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use;

(f) the premises for the lodging of janitors or caretakers of the property; and

(g) all other elements of the building necessary or convenient to its existence, maintenance, and safety or normally in common use.

(11) "Lienholder" means a person holding a security interest, including a mortgagee, beneficiary of a trust indenture, or other creditor who holds a mortgage, trust indenture, or other instrument that encumbers real property.

~~(9)~~(12) "Limited common elements" means those common elements designated in the declaration or by agreement of all the unit owners as reserved for the use of a certain unit or number of units to the exclusion of the other units.

~~(10)~~(13) "Majority" or "majority of the unit owners", unless otherwise provided in the declaration, means the owners of more than 50% in the aggregate of the undivided ownership interests in the general common elements as the percentage of interest in the element appertaining to each unit is expressed in the declaration. Whenever a percentage of the unit owners is specified, percentage means the percentage in the aggregate of undivided ownership.

~~(11)~~(14) "Manager" means the manager, board of managers, or other person in charge of the administration of or managing the property.

~~(12)~~(15) "Project" means a real estate condominium project whereby a condominium of two or more units located on property submitted to the provisions of this chapter ~~are~~ is offered or proposed to be offered for sale.

~~(13)~~(16) "Property" means the land, all buildings, improvements, and structures on the land, and all easements, rights, and appurtenances belonging to the land that are submitted to the provisions of this chapter.

(14)(17) "Recording officer" means the county officer charged with the duty of filing and recording deeds and mortgages or other instruments or documents affecting the title to real property.

(15)(18) "Townhome" or "townhouse" means property that is owned subject to an arrangement under which persons own their own units and hold separate title to the land beneath their units, but under which they may jointly own the common areas and facilities.

(16)(19) "Unit" means a part of the property including one or more rooms occupying one or more floors or a part or parts of the property intended for any type of independent use and with a direct exit to a public street or highway or to a common area or area leading to a public street or highway.

(17)(20) "Unit designation" means the number, letter, or combination of numbers and letters designating a unit in the declaration.

(18)(21) "Unit owner" means the person owning a unit in fee simple absolute individually or as co-owner in any real estate tenancy relationship recognized under the laws of this state. However, for all purposes, including the exercise of voting rights, provided by lease filed with the presiding officer of the association of unit owners, a lessee of a unit must be considered a unit owner."

Section 6. Section 76-3-203, MCA, is amended to read:

"76-3-203. Exemption for certain condominiums and townhouses. Condominiums, townhomes, ~~or townhouses,~~ or conversions, as those terms are defined in 70-23-102, constructed on land subdivided in compliance with parts 5 and 6 of this chapter or on lots within incorporated cities and towns are exempt from the provisions of this chapter if:

(1) the approval of the original subdivision of land expressly contemplated the construction of the condominiums, townhomes, or townhouses and any applicable park dedication requirements in 76-3-621 are complied with; or

(2) the condominium, townhome, or townhouse proposal is in conformance with applicable local zoning regulations when local zoning regulations are in effect."

Section 7. Section 76-4-111, MCA, is amended to read:

"76-4-111. Exemption for certain condominiums, townhomes, and townhouses. (1) Condominiums, townhomes, or townhouses, as those terms are defined in 70-23-102, constructed on land divided in compliance with the Montana Subdivision and Platting Act and this part are exempt from the provisions of this part.

(2) Whenever a parcel of land has previously been reviewed under either department requirements or local health requirements and has received approval for a given number of living units, the construction or conversion of the same or a fewer number of condominium units, townhomes, or townhouses on that parcel is not subject to the provisions of this part, provided that no new extension of a public water supply system or extension of a public sewage system is required."

NEW SECTION. Section 8. Codification instruction. [Sections 1 through 4] are intended to be codified as an integral part of Title 70, chapter 23, and the provisions of Title 70, chapter 23, apply to [sections 1 through 4].

NEW SECTION. Section 9. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 10. Nonapplicability. Nothing in [this act] may be interpreted to modify or expand existing insurance coverage on a condominium unit, townhome, or townhouse.

- END -

SENATE BILL NO. 276

INTRODUCED BY R. WEBB

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING CONDOMINIUM AND TOWNHOUSE LAWS; PROVIDING REQUIREMENTS FOR AND EFFECTS OF A CONVERSION OF A CONDOMINIUM TO A TOWNHOUSE UNDER THE UNIT OWNERSHIP ACT; REQUIRING THAT NOTICE OF THE CONVERSION AND AN OPPORTUNITY FOR OBJECTION BE GIVEN TO CERTAIN PARTIES; EXEMPTING CERTAIN CONVERSIONS OF A CONDOMINIUM TO A TOWNHOUSE FROM STATE AND LOCAL SUBDIVISION REVIEW; PROVIDING DEFINITIONS; AND AMENDING SECTIONS 70-23-102, 76-3-203, AND 76-4-111, MCA; ~~AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.~~"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Conversion of condominium to townhouse. (1) A condominium may be converted to a townhome or townhouse only if:

(a) no other structure occupies the vertical air space above or below the unit's converted footprint;

(b) all condominium units subject to the recorded condominium declaration are simultaneously converted to townhome or townhouse units; and

(c) all of the unit owners owning units subject to the recorded condominium declaration consent to the conversion by executing and recording an instrument to that effect and adhering to the requirements of this section.

(2) If a condominium unit is affected by a lien, the unit owner shall obtain the lienholder's written consent to the conversion. If a lienholder does not provide written consent to the conversion, the unit owner may consent on behalf of the lienholder only according to the following provisions:

(a) The unit owner shall deliver by certified mail, return receipt requested, to each affected lienholder or its servicer at the address specified in the recorded trust indenture or mortgage, the address specified in the last recorded assignment of the trust indenture or the mortgage, if any, and the address specified in the last mailed request for loan payment the following documents:

(i) written notification pursuant to [section 2];

(ii) a litigation guarantee, provided that:

1 (A) the form of the guarantee has been approved by the insurance commissioner and is issued by a
2 licensed title insurance producer;

3 (B) the guarantee was ordered on the unit by the person required to give notice; and

4 (C) the guarantee lists the identities and addresses of the parties of record that have an interest in or
5 a possible claim of an interest in the unit designed to disclose all parties of record that would otherwise be
6 necessary to name in a quiet title action;

7 (iii) the proposed declaration and bylaws for the converted townhomes or townhouses that:

8 (A) provides that the percentage of the undivided interest of each unit owner in the common area is the
9 same as the percentage of undivided interest owned by the owner in the common elements prior to the
10 conversion; and

11 (B) provides for the continuation of the prior condominium association of unit owners as a townhouse
12 association of unit owners;

13 (iv) a SURVEYED site plan that:

14 (A) includes the boundaries of the footprint beneath each converted unit and any limited common
15 elements, such as decks, patios, and walkways, that will be included in the conversion; AND

16 ~~(v) a survey depicting~~ (B) DEPICTS the corners and boundaries of the property underlying each converted
17 townhome or townhouse; and

18 ~~(vi)~~ (V) an appraisal of the fair market value of the unit presuming that the unit had been converted to a
19 townhome or townhouse for the purpose of establishing that the fair market value of the unit as a townhome or
20 townhouse is not less than the fair market value of the existing condominium unit.

21 (b) Within 120 days of the date of the mailing in subsection (2)(a), a lienholder may object only by:

22 (i) recording its objection with the office of the county clerk and recorder of the county in which the unit
23 is situated; and

24 (ii) mailing notification of its objection by certified mail, return receipt requested, to the unit owner at the
25 address specified on the notice of intent received pursuant to [section 2].

26 (c) If a lienholder does not register an objection pursuant to subsection (2)(b), the lienholder is
27 considered to have consented to the conversion after the expiration of the 120-day period.

28 (3) (a) Except as provided in subsection (3)(b), if the unit subject to conversion is not affected by a lien
29 or if each lienholder has consented or is considered to have consented to the conversion pursuant to this section,
30 the conversion is effective upon the recording of all of the following documents pertaining to each of the

condominium units on the property with the office of the county clerk and recorder of the county in which the property is situated:

(i) an affidavit stating that the owner mailed the required notices of intent pursuant to [section 2];

(ii) the declaration and bylaws, which must be substantially the same as the proposed declaration and bylaws specified in subsection (2)(a)(iii);

(iii) the SURVEYED site plan referenced in subsection (2)(a)(iv); AND

~~(iv) the survey referenced in subsection (2)(a)(v); and~~

~~(v)(IV)~~ evidence of the written consent of each affected lienholder. Sufficient evidence of written consent may be made through documents including but not limited to deeds, loan modifications, or the instrument reflecting a unit owner's consent on behalf of the lienholder as provided in [section 3].

(b) If a lienholder is considered to have consented pursuant to subsection (2)(c), the unit owner may record the documents within 45 days after the expiration of the 120-day period provided in subsection (2)(b).

NEW SECTION. Section 2. Notice of intent. (1) In addition to the documents required under [section 1(2)(a)], the notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse must contain:

(a) the date;

(b) the name and address of the borrower;

(c) the name of the lienholder; and

(d) the name of the loan servicer if loan payments on a trust indenture or mortgage are collected by a loan servicer.

(2) The notice must be in substantially the following form:

"This notice, made the ... day of,, concerns the trust indenture or mortgage attached and described as follows:

Name of borrower:

Name of lienholder:

Name of loan servicer:

Recording information concerning the trust indenture or mortgage, including the entry number, book number, and page number:

Pursuant to the Unit Ownership Act contained in Title 70, chapter 23, MCA, the undersigned unit owner

intends to convert a condominium affected by a mortgage or a trust indenture located at to a townhome or townhouse.

Unless the lienholder within 120 days of the date of this notice records its objection pursuant to [section 1], MCA, with the office of the county clerk and recorder of the county in which the property is situated and mails notification of its objection by certified mail, return receipt requested, to the unit owner at the address specified on this notice, the unit owner will consent to the conversion on behalf of the lienholder for the mortgage or trust indenture described in this notice.

Pursuant to [section 1(2)(a)], MCA, the unit owner has included the following attachments:

(a) a copy of the recorded trust indenture or mortgage;

(b) a litigation guarantee;

(c) the proposed declaration and bylaws for the converted townhome or townhouses;

(d) a SURVEYED site plan; AND

~~(e) a survey; and~~

~~(f)(E)~~ an appraisal of the fair market value of each unit presuming that each unit had been converted to a townhome or townhouse.

..... (Signature of unit owner)

..... (Address of unit owner)"

NEW SECTION. Section 3. Consent by unit owner on behalf of lienholder. The instrument reflecting a unit owner's consent on behalf of the lienholder to convert a secured property from a condominium to a townhome or townhouse must be in substantially the following form:

"(Unit owner) hereby consents on behalf of (name of lienholder), whose lien is evidenced by a trust indenture or mortgage recorded in County on day of,, in book at page as entry number to the following property in County being converted from a condominium described as to a townhome or townhouse described as

The undersigned unit owner certifies as follows:

(1) In accordance with the requirements of [sections 1 and 2], MCA, the unit owner has delivered to the lienholder a notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse.

(2) The lienholder has not affirmatively consented to the conversion, but the unit owner did not receive

a notice of objection to the conversion from the lienholder within 120 days of the date of the notice of intent to convert a condominium to a townhome or townhouse as required to object to the conversion by [section 1], MCA.

..... (Signature of unit owner)

..... (Notarization)"

NEW SECTION. Section 4. Effect of conversion. Regarding a conversion pursuant to [section 1], the following provisions apply:

(1) (a) A townhome or townhouse unit, including the structural elements and land beneath the unit as described in the ~~survey~~ SURVEYED SITE PLAN in [section ~~1(2)(a)(v)~~ 1(2)(A)(IV)], must be considered to be owned in fee simple by the unit owner;

(b) a portion of the land depicted as common area on the SURVEYED site plan described in [section 1(2)(a)(iv)] must be considered to be owned in common by all of the converted townhome or townhouse unit owners. The percentage of the undivided interest of each unit owner in the common area must be considered to be the same as the percentage of undivided interest owned by the owner in the common elements prior to the conversion.

(c) a lien affecting a townhome or townhouse unit is a lien against the fee simple interest of the unit owner in subsection (1)(a) and the undivided interest in the common area described in subsection (1)(b). The conversion, by itself, may not be considered to have an effect on the existing priorities of any liens concerning the converted townhome or townhouse units.

(2) The owners, lienholders, and title insurers may rely on the amended declaration's legal description of the unit provided by the ~~survey~~ SURVEYED SITE PLAN in [section ~~1(2)(a)(v)~~ 1(2)(A)(IV)] with regard to the future conveyance of individual townhome or townhouse units.

(3) Section 71-1-108 applies to the fee simple title to the land beneath a townhome or townhouse unit acquired by the mortgagor pursuant to the conversion.

(4) Because the amended declaration must provide for the continuation of the association of unit owners pursuant to [section 1(2)(a)(iii)(B)], the unit owners may not be required to form a new association of unit owners.

(5) The townhome or townhouse may not be considered removed from the provisions of Title 70, chapter 23, solely by virtue of the conversion.

(6) If the conversion procedures in [section 1] are followed, a unit owner or lienholder may not bring an action concerning the conversion, including a foreclosure based solely on the conversion, against any party

1 associated with the conversion, including but not limited to the association of unit owners, title insurers, escrow
2 providers, or lienholders. A person who brings an action concerning the conversion is liable for damages and
3 attorney fees and costs to defend the action.

4 (7) If a foreclosure of a unit is conducted using the original condominium legal description in the trust
5 indenture or mortgage, it will result in the foreclosure of the converted townhome or townhouse.

6 (8) A conversion does not constitute a removal pursuant to this chapter.

7
8 **NEW SECTION. SECTION 5. NONAPPLICABILITY -- BUILDING CODES -- ZONING REGULATIONS. NOTHING IN**
9 **[SECTIONS 1 THROUGH 5] MAY BE INTERPRETED TO MODIFY, EXPAND, OR ABROGATE THE APPLICABILITY OF STATE OR**
10 **LOCAL BUILDING CODES OR ZONING REGULATIONS TO A CONDOMINIUM, TOWNHOME, TOWNHOUSE, OR CONVERSION.**

11
12 **Section 6.** Section 70-23-102, MCA, is amended to read:

13 **"70-23-102. Definitions.** In this chapter, unless the context requires otherwise, the following definitions
14 apply:

15 (1) "Association of unit owners" means all the unit owners acting as a group in accordance with the
16 declaration and bylaws.

17 (2) "Borrower" means a mortgagor, grantor as defined in 71-1-303, or other debtor.

18 ~~(2)~~(3) "Building" means a multiple-unit building or buildings comprising a part of the property.

19 ~~(3)~~(4) "Common elements" means the general common elements and the limited common elements.

20 ~~(4)~~(5) "Common expenses" means:

21 (a) expenses of administration, maintenance, repair, or replacement of the common elements;

22 (b) expenses agreed upon as common by all the unit owners; and

23 (c) expenses declared common by 70-23-610 and 70-23-612 or by the declaration or the bylaws of the
24 particular condominium.

25 ~~(5)~~(6) "Community land trust" means a nonprofit organization exempt from taxation under section
26 501(c)(3) of the Internal Revenue Code that holds title to land beneath individually owned housing units for the
27 purpose of preserving affordable housing.

28 ~~(6)~~(7) "Condominium" means the ownership of single units with common elements located on property
29 submitted to the provisions of this chapter. The term does not include a townhome, a townhouse, a community
30 land trust, or a housing unit located on land belonging to a community land trust.

1 (8) "Conversion" means a change in the character of residential real property from one or more parcels
2 of land with attached condominium units to one or more parcels of land with attached townhome or townhouse
3 units without a change to the undivided interest of the unit owners.

4 ~~(7)~~(9) "Declaration" means the instrument by which the property is submitted to the provisions of this
5 chapter.

6 ~~(8)~~(10) "General common elements", unless otherwise provided in a declaration or by consent of all the
7 unit owners, means:

8 (a) the land on which the building is located, except any portion of the land included in a unit or made
9 a limited common element by the declaration;

10 (b) the foundations, columns, girders, beams, supports, mainwalls, roofs, halls, corridors, lobbies, stairs,
11 fire escapes, entrances, and exits of the building;

12 (c) the basements, yards, gardens, parking areas, and outside storage spaces, private pathways,
13 sidewalks, and private roads;

14 (d) installations of central services such as power, light, gas, hot and cold water, heating, refrigeration,
15 air conditioning, waste disposal, and incinerating;

16 (e) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and
17 installations existing for common use;

18 (f) the premises for the lodging of janitors or caretakers of the property; and

19 (g) all other elements of the building necessary or convenient to its existence, maintenance, and safety
20 or normally in common use.

21 (11) "Lienholder" means a person holding a security interest, including a mortgagee, beneficiary of a trust
22 indenture, or other creditor who holds a mortgage, trust indenture, or other instrument that encumbers real
23 property.

24 ~~(9)~~(12) "Limited common elements" means those common elements designated in the declaration or by
25 agreement of all the unit owners as reserved for the use of a certain unit or number of units to the exclusion of
26 the other units.

27 ~~(10)~~(13) "Majority" or "majority of the unit owners", unless otherwise provided in the declaration, means
28 the owners of more than 50% in the aggregate of the undivided ownership interests in the general common
29 elements as the percentage of interest in the element appertaining to each unit is expressed in the declaration.
30 Whenever a percentage of the unit owners is specified, percentage means the percentage in the aggregate of

1 undivided ownership.

2 ~~(14)~~(14) "Manager" means the manager, board of managers, or other person in charge of the
3 administration of or managing the property.

4 ~~(15)~~(15) "Project" means a real estate condominium project whereby a condominium of two or more units
5 located on property submitted to the provisions of this chapter ~~are~~ is offered or proposed to be offered for sale.

6 ~~(16)~~(16) "Property" means the land, all buildings, improvements, and structures on the land, and all
7 easements, rights, and appurtenances belonging to the land that are submitted to the provisions of this chapter.

8 ~~(17)~~(17) "Recording officer" means the county officer charged with the duty of filing and recording deeds
9 and mortgages or other instruments or documents affecting the title to real property.

10 ~~(18)~~(18) "Townhome" or "townhouse" means property that is owned subject to an arrangement under
11 which persons own their own units and hold separate title to the land beneath their units, but under which they
12 may jointly own the common areas and facilities.

13 ~~(19)~~(19) "Unit" means a part of the property including one or more rooms occupying one or more floors
14 or a part or parts of the property intended for any type of independent use and with a direct exit to a public street
15 or highway or to a common area or area leading to a public street or highway.

16 ~~(20)~~(20) "Unit designation" means the number, letter, or combination of numbers and letters designating
17 a unit in the declaration.

18 ~~(21)~~(21) "Unit owner" means the person owning a unit in fee simple absolute individually or as co-owner
19 in any real estate tenancy relationship recognized under the laws of this state. However, for all purposes,
20 including the exercise of voting rights, provided by lease filed with the presiding officer of the association of unit
21 owners, a lessee of a unit must be considered a unit owner."

22

23 **Section 7.** Section 76-3-203, MCA, is amended to read:

24 **"76-3-203. Exemption for certain condominiums and townhouses.** Condominiums, townhomes, ~~or~~
25 townhouses, or conversions, as those terms are defined in 70-23-102, constructed on land subdivided in
26 compliance with parts 5 and 6 of this chapter or on lots within incorporated cities and towns are exempt from the
27 provisions of this chapter if:

28 (1) the approval of the original subdivision of land expressly contemplated the construction of the
29 condominiums, townhomes, or townhouses and any applicable park dedication requirements in 76-3-621 are
30 complied with; or

(2) the condominium, townhome, or townhouse proposal is in conformance with applicable local zoning regulations when local zoning regulations are in effect."

Section 8. Section 76-4-111, MCA, is amended to read:

"76-4-111. Exemption for certain condominiums, townhomes, and townhouses. (1) Condominiums, townhomes, or townhouses, as those terms are defined in 70-23-102, constructed on land divided in compliance with the Montana Subdivision and Platting Act and this part are exempt from the provisions of this part.

(2) Whenever a parcel of land has previously been reviewed under either department requirements or local health requirements and has received approval for a given number of living units, the construction or conversion of the same or a fewer number of condominium units, townhomes, or townhouses on that parcel is not subject to the provisions of this part, provided that no new extension of a public water supply system or extension of a public sewage system is required."

NEW SECTION. **Section 9. Codification instruction.** [Sections 1 through 4 5] are intended to be codified as an integral part of Title 70, chapter 23, and the provisions of Title 70, chapter 23, apply to [sections 1 through 4 5].

~~NEW SECTION. Section 9. Effective date. [This act] is effective on passage and approval.~~

NEW SECTION. **Section 10. Nonapplicability.** Nothing in [this act] may be interpreted to modify or expand existing insurance coverage on a condominium unit, townhome, or townhouse.

- END -



AN ACT GENERALLY REVISING CONDOMINIUM AND TOWNHOUSE LAWS; PROVIDING REQUIREMENTS FOR AND EFFECTS OF A CONVERSION OF A CONDOMINIUM TO A TOWNHOUSE UNDER THE UNIT OWNERSHIP ACT; REQUIRING THAT NOTICE OF THE CONVERSION AND AN OPPORTUNITY FOR OBJECTION BE GIVEN TO CERTAIN PARTIES; EXEMPTING CERTAIN CONVERSIONS OF A CONDOMINIUM TO A TOWNHOUSE FROM STATE AND LOCAL SUBDIVISION REVIEW; PROVIDING DEFINITIONS; AND AMENDING SECTIONS 70-23-102, 76-3-203, AND 76-4-111, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Conversion of condominium to townhouse. (1) A condominium may be converted to a townhome or townhouse only if:

- (a) no other structure occupies the vertical air space above or below the unit's converted footprint;
- (b) all condominium units subject to the recorded condominium declaration are simultaneously converted to townhome or townhouse units; and
- (c) all of the unit owners owning units subject to the recorded condominium declaration consent to the conversion by executing and recording an instrument to that effect and adhering to the requirements of this section.

(2) If a condominium unit is affected by a lien, the unit owner shall obtain the lienholder's written consent to the conversion. If a lienholder does not provide written consent to the conversion, the unit owner may consent on behalf of the lienholder only according to the following provisions:

(a) The unit owner shall deliver by certified mail, return receipt requested, to each affected lienholder or its servicer at the address specified in the recorded trust indenture or mortgage, the address specified in the last recorded assignment of the trust indenture or the mortgage, if any, and the address specified in the last mailed request for loan payment the following documents:

- (i) written notification pursuant to [section 2];
- (ii) a litigation guarantee, provided that:

(A) the form of the guarantee has been approved by the insurance commissioner and is issued by a licensed title insurance producer;

(B) the guarantee was ordered on the unit by the person required to give notice; and

(C) the guarantee lists the identities and addresses of the parties of record that have an interest in or a possible claim of an interest in the unit designed to disclose all parties of record that would otherwise be necessary to name in a quiet title action;

(iii) the proposed declaration and bylaws for the converted townhomes or townhouses that:

(A) provides that the percentage of the undivided interest of each unit owner in the common area is the same as the percentage of undivided interest owned by the owner in the common elements prior to the conversion; and

(B) provides for the continuation of the prior condominium association of unit owners as a townhouse association of unit owners;

(iv) a surveyed site plan that:

(A) includes the boundaries of the footprint beneath each converted unit and any limited common elements, such as decks, patios, and walkways, that will be included in the conversion; and

(B) depicts the corners and boundaries of the property underlying each converted townhome or townhouse; and

(v) an appraisal of the fair market value of the unit presuming that the unit had been converted to a townhome or townhouse for the purpose of establishing that the fair market value of the unit as a townhome or townhouse is not less than the fair market value of the existing condominium unit.

(b) Within 120 days of the date of the mailing in subsection (2)(a), a lienholder may object only by:

(i) recording its objection with the office of the county clerk and recorder of the county in which the unit is situated; and

(ii) mailing notification of its objection by certified mail, return receipt requested, to the unit owner at the address specified on the notice of intent received pursuant to [section 2].

(c) If a lienholder does not register an objection pursuant to subsection (2)(b), the lienholder is considered to have consented to the conversion after the expiration of the 120-day period.

(3) (a) Except as provided in subsection (3)(b), if the unit subject to conversion is not affected by a lien or if each lienholder has consented or is considered to have consented to the conversion pursuant to this section,

the conversion is effective upon the recording of all of the following documents pertaining to each of the condominium units on the property with the office of the county clerk and recorder of the county in which the property is situated:

- (i) an affidavit stating that the owner mailed the required notices of intent pursuant to [section 2];
 - (ii) the declaration and bylaws, which must be substantially the same as the proposed declaration and bylaws specified in subsection (2)(a)(iii);
 - (iii) the surveyed site plan referenced in subsection (2)(a)(iv); and
 - (iv) evidence of the written consent of each affected lienholder. Sufficient evidence of written consent may be made through documents including but not limited to deeds, loan modifications, or the instrument reflecting a unit owner's consent on behalf of the lienholder as provided in [section 3].
- (b) If a lienholder is considered to have consented pursuant to subsection (2)(c), the unit owner may record the documents within 45 days after the expiration of the 120-day period provided in subsection (2)(b).

Section 2. Notice of intent. (1) In addition to the documents required under [section 1(2)(a)], the notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse must contain:

- (a) the date;
- (b) the name and address of the borrower;
- (c) the name of the lienholder; and
- (d) the name of the loan servicer if loan payments on a trust indenture or mortgage are collected by a loan servicer.

(2) The notice must be in substantially the following form:

"This notice, made the ... day of,, concerns the trust indenture or mortgage attached and described as follows:

Name of borrower:

Name of lienholder:

Name of loan servicer:

Recording information concerning the trust indenture or mortgage, including the entry number, book number, and page number:

Pursuant to the Unit Ownership Act contained in Title 70, chapter 23, MCA, the undersigned unit owner

intends to convert a condominium affected by a mortgage or a trust indenture located at to a townhome or townhouse.

Unless the lienholder within 120 days of the date of this notice records its objection pursuant to [section 1], MCA, with the office of the county clerk and recorder of the county in which the property is situated and mails notification of its objection by certified mail, return receipt requested, to the unit owner at the address specified on this notice, the unit owner will consent to the conversion on behalf of the lienholder for the mortgage or trust indenture described in this notice.

Pursuant to [section 1(2)(a)], MCA, the unit owner has included the following attachments:

- (a) a copy of the recorded trust indenture or mortgage;
- (b) a litigation guarantee;
- (c) the proposed declaration and bylaws for the converted townhome or townhouses;
- (d) a surveyed site plan; and
- (e) an appraisal of the fair market value of each unit presuming that each unit had been converted to a townhome or townhouse.

..... (Signature of unit owner)

..... (Address of unit owner)"

Section 3. Consent by unit owner on behalf of lienholder. The instrument reflecting a unit owner's consent on behalf of the lienholder to convert a secured property from a condominium to a townhome or townhouse must be in substantially the following form:

"(Unit owner) hereby consents on behalf of (name of lienholder), whose lien is evidenced by a trust indenture or mortgage recorded in County on day of,, in book at page as entry number to the following property in County being converted from a condominium described as to a townhome or townhouse described as

The undersigned unit owner certifies as follows:

(1) In accordance with the requirements of [sections 1 and 2], MCA, the unit owner has delivered to the lienholder a notice of intent by a unit owner to a lienholder to convert a condominium to a townhome or townhouse.

(2) The lienholder has not affirmatively consented to the conversion, but the unit owner did not receive

a notice of objection to the conversion from the lienholder within 120 days of the date of the notice of intent to convert a condominium to a townhome or townhouse as required to object to the conversion by [section 1], MCA.

..... (Signature of unit owner)

..... (Notarization)"

Section 4. Effect of conversion. Regarding a conversion pursuant to [section 1], the following provisions apply:

(1) (a) A townhome or townhouse unit, including the structural elements and land beneath the unit as described in the surveyed site plan in [section 1(2)(a)(iv)], must be considered to be owned in fee simple by the unit owner;

(b) a portion of the land depicted as common area on the surveyed site plan described in [section 1(2)(a)(iv)] must be considered to be owned in common by all of the converted townhome or townhouse unit owners. The percentage of the undivided interest of each unit owner in the common area must be considered to be the same as the percentage of undivided interest owned by the owner in the common elements prior to the conversion.

(c) a lien affecting a townhome or townhouse unit is a lien against the fee simple interest of the unit owner in subsection (1)(a) and the undivided interest in the common area described in subsection (1)(b). The conversion, by itself, may not be considered to have an effect on the existing priorities of any liens concerning the converted townhome or townhouse units.

(2) The owners, lienholders, and title insurers may rely on the amended declaration's legal description of the unit provided by the surveyed site plan in [section 1(2)(a)(iv)] with regard to the future conveyance of individual townhome or townhouse units.

(3) Section 71-1-108 applies to the fee simple title to the land beneath a townhome or townhouse unit acquired by the mortgagor pursuant to the conversion.

(4) Because the amended declaration must provide for the continuation of the association of unit owners pursuant to [section 1(2)(a)(iii)(B)], the unit owners may not be required to form a new association of unit owners.

(5) The townhome or townhouse may not be considered removed from the provisions of Title 70, chapter 23, solely by virtue of the conversion.

(6) If the conversion procedures in [section 1] are followed, a unit owner or lienholder may not bring an

action concerning the conversion, including a foreclosure based solely on the conversion, against any party associated with the conversion, including but not limited to the association of unit owners, title insurers, escrow providers, or lienholders. A person who brings an action concerning the conversion is liable for damages and attorney fees and costs to defend the action.

(7) If a foreclosure of a unit is conducted using the original condominium legal description in the trust indenture or mortgage, it will result in the foreclosure of the converted townhome or townhouse.

(8) A conversion does not constitute a removal pursuant to this chapter.

Section 5. Nonapplicability -- building codes -- zoning regulations. Nothing in [sections 1 through 5] may be interpreted to modify, expand, or abrogate the applicability of state or local building codes or zoning regulations to a condominium, townhome, townhouse, or conversion.

Section 6. Section 70-23-102, MCA, is amended to read:

"70-23-102. Definitions. In this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Association of unit owners" means all the unit owners acting as a group in accordance with the declaration and bylaws.

(2) "Borrower" means a mortgagor, grantor as defined in 71-1-303, or other debtor.

~~(2)~~(3) "Building" means a multiple-unit building or buildings comprising a part of the property.

~~(3)~~(4) "Common elements" means the general common elements and the limited common elements.

~~(4)~~(5) "Common expenses" means:

(a) expenses of administration, maintenance, repair, or replacement of the common elements;

(b) expenses agreed upon as common by all the unit owners; and

(c) expenses declared common by 70-23-610 and 70-23-612 or by the declaration or the bylaws of the particular condominium.

~~(5)~~(6) "Community land trust" means a nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code that holds title to land beneath individually owned housing units for the purpose of preserving affordable housing.

~~(6)~~(7) "Condominium" means the ownership of single units with common elements located on property

submitted to the provisions of this chapter. The term does not include a townhome, a townhouse, a community land trust, or a housing unit located on land belonging to a community land trust.

(8) "Conversion" means a change in the character of residential real property from one or more parcels of land with attached condominium units to one or more parcels of land with attached townhome or townhouse units without a change to the undivided interest of the unit owners.

~~(7)~~(9) "Declaration" means the instrument by which the property is submitted to the provisions of this chapter.

~~(8)~~(10) "General common elements", unless otherwise provided in a declaration or by consent of all the unit owners, means:

(a) the land on which the building is located, except any portion of the land included in a unit or made a limited common element by the declaration;

(b) the foundations, columns, girders, beams, supports, mainwalls, roofs, halls, corridors, lobbies, stairs, fire escapes, entrances, and exits of the building;

(c) the basements, yards, gardens, parking areas, and outside storage spaces, private pathways, sidewalks, and private roads;

(d) installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal, and incinerating;

(e) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use;

(f) the premises for the lodging of janitors or caretakers of the property; and

(g) all other elements of the building necessary or convenient to its existence, maintenance, and safety or normally in common use.

(11) "Lienholder" means a person holding a security interest, including a mortgagee, beneficiary of a trust indenture, or other creditor who holds a mortgage, trust indenture, or other instrument that encumbers real property.

~~(9)~~(12) "Limited common elements" means those common elements designated in the declaration or by agreement of all the unit owners as reserved for the use of a certain unit or number of units to the exclusion of the other units.

~~(10)~~(13) "Majority" or "majority of the unit owners", unless otherwise provided in the declaration, means

the owners of more than 50% in the aggregate of the undivided ownership interests in the general common elements as the percentage of interest in the element appertaining to each unit is expressed in the declaration. Whenever a percentage of the unit owners is specified, percentage means the percentage in the aggregate of undivided ownership.

~~(11)~~(14) "Manager" means the manager, board of managers, or other person in charge of the administration of or managing the property.

~~(12)~~(15) "Project" means a real estate condominium project whereby a condominium of two or more units located on property submitted to the provisions of this chapter ~~are~~ is offered or proposed to be offered for sale.

~~(13)~~(16) "Property" means the land, all buildings, improvements, and structures on the land, and all easements, rights, and appurtenances belonging to the land that are submitted to the provisions of this chapter.

~~(14)~~(17) "Recording officer" means the county officer charged with the duty of filing and recording deeds and mortgages or other instruments or documents affecting the title to real property.

~~(15)~~(18) "Townhome" or "townhouse" means property that is owned subject to an arrangement under which persons own their own units and hold separate title to the land beneath their units, but under which they may jointly own the common areas and facilities.

~~(16)~~(19) "Unit" means a part of the property including one or more rooms occupying one or more floors or a part or parts of the property intended for any type of independent use and with a direct exit to a public street or highway or to a common area or area leading to a public street or highway.

~~(17)~~(20) "Unit designation" means the number, letter, or combination of numbers and letters designating a unit in the declaration.

~~(18)~~(21) "Unit owner" means the person owning a unit in fee simple absolute individually or as co-owner in any real estate tenancy relationship recognized under the laws of this state. However, for all purposes, including the exercise of voting rights, provided by lease filed with the presiding officer of the association of unit owners, a lessee of a unit must be considered a unit owner."

Section 7. Section 76-3-203, MCA, is amended to read:

"76-3-203. Exemption for certain condominiums and townhouses. Condominiums, townhomes, ~~or townhouses,~~ or conversions, as those terms are defined in 70-23-102, constructed on land subdivided in compliance with parts 5 and 6 of this chapter or on lots within incorporated cities and towns are exempt from the

provisions of this chapter if:

(1) the approval of the original subdivision of land expressly contemplated the construction of the condominiums, townhomes, or townhouses and any applicable park dedication requirements in 76-3-621 are complied with; or

(2) the condominium, townhome, or townhouse proposal is in conformance with applicable local zoning regulations when local zoning regulations are in effect."

Section 8. Section 76-4-111, MCA, is amended to read:

"76-4-111. Exemption for certain condominiums, townhomes, and townhouses. (1) Condominiums, townhomes, or townhouses, as those terms are defined in 70-23-102, constructed on land divided in compliance with the Montana Subdivision and Platting Act and this part are exempt from the provisions of this part.

(2) Whenever a parcel of land has previously been reviewed under either department requirements or local health requirements and has received approval for a given number of living units, the construction or conversion of the same or a fewer number of condominium units, townhomes, or townhouses on that parcel is not subject to the provisions of this part, provided that no new extension of a public water supply system or extension of a public sewage system is required."

Section 9. Codification instruction. [Sections 1 through 5] are intended to be codified as an integral part of Title 70, chapter 23, and the provisions of Title 70, chapter 23, apply to [sections 1 through 5].

Section 10. Nonapplicability. Nothing in [this act] may be interpreted to modify or expand existing insurance coverage on a condominium unit, townhome, or townhouse.

- END -

I hereby certify that the within bill,
SB 0276, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2019.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2019.

SENATE BILL NO. 276
INTRODUCED BY R. WEBB

AN ACT GENERALLY REVISING CONDOMINIUM AND TOWNHOUSE LAWS; PROVIDING REQUIREMENTS FOR AND EFFECTS OF A CONVERSION OF A CONDOMINIUM TO A TOWNHOUSE UNDER THE UNIT OWNERSHIP ACT; REQUIRING THAT NOTICE OF THE CONVERSION AND AN OPPORTUNITY FOR OBJECTION BE GIVEN TO CERTAIN PARTIES; EXEMPTING CERTAIN CONVERSIONS OF A CONDOMINIUM TO A TOWNHOUSE FROM STATE AND LOCAL SUBDIVISION REVIEW; PROVIDING DEFINITIONS; AND AMENDING SECTIONS 70-23-102, 76-3-203, AND 76-4-111, MCA.

MINUTES

MONTANA SENATE 66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: Chair Keith Regier, on February 22, 2019 at 9:00 AM, in Room 303 Capitol

ROLL CALL

Members Present:

Sen. Keith Regier, Chair (R)
Sen. Jennifer Fielder, Vice Chair (R)
Sen. Diane Sands, Vice Chair (D)
Sen. Bryce Bennett (D)
Sen. John Esp (R)
Sen. Jen Gross (D)
Sen. Steve Hinebaugh (R)
Sen. Margaret (Margie) MacDonald (D)
Sen. Scott Sales (R)
Sen. Gordon Vance (R)

Members Excused: None

Members Absent: None

Staff Present: Julianne Burkhardt, Legislative Branch
Noah Horan, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 256, 2/15/2019; SB 253, 2/15/2019; SB 276, 2/15/2019; SB 302, 2/15/2019; SJ 12, 2/15/2019

Executive Action: SB 261 DO PASS; SB 262 DO PASS AS AMENDED; SJ 12 MOTION WITHDRAWN

HEARING ON SJ 12

Opening Statement by Sponsor:

09:02:00 Sen. Mike Cuffe (R), SD 1, opened the hearing on SJ 12, Resolution on Columbia River Treaty.

EXHIBIT(jus38a01)

09:14:28 Sen. Bennett entered the hearing.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

09:15:10 Sen. Cuffe

HEARING ON SB 302

Opening Statement by Sponsor:

09:16:13 Sen. John Esp (R), SD 30, opened the hearing on SB 302, Generally revise laws related to local government budgeting and accounting.

Proponents' Testimony:

09:23:00 Eric Bryson, Montana Association of Counties (MACo)

09:25:57 Kelly Lynch, Montana League of Cities and Towns (MLCT)

09:29:49 Sen. Roger Webb, SD 23

09:30:55 Chet McLean, Local Government Services Division, Department of Administration (DOA)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

09:32:59 Sen. Sands

09:33:11 Mr. Bryson, MACo

09:33:21 Sen. Sands

09:33:44 Ms. Lynch, MLCT

09:33:51 Sen. Sands

09:34:18 Ms. Lynch

09:35:38 Sen. Sands

09:36:06 Ms. Lynch

09:36:08 Sen. Sands

09:36:20 Ms. Lynch

09:36:32 Chair Regier

09:36:49 Ms. Lynch

09:37:01 Sen. MacDonald entered the hearing.

Closing by Sponsor:

09:37:25 Sen. Esp

HEARING ON SB 276

Opening Statement by Sponsor:

09:37:51 Sen. Roger Webb (R), SD 23, opened the hearing on SB 276, Revise laws related to condos and townhouses.

Proponents' Testimony:

09:41:00 Robert Sewell, Montana Land Title Association (MLTA)
 09:43:02 Sam Sill, Montana Association of Realtors (MAR)
 09:43:43 Quinn Donovan, self
 09:44:26 Steve Turkiewicz, Montana Bankers Association

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

09:45:14 Chair Regier
 09:45:24 Mr. Sewell, MLTA
 09:45:41 Sen. MacDonald
 09:46:43 Mr. Sill, MAR
 09:47:24 Sen. MacDonald
 09:48:15 Mr. Sewell
 09:49:41 Sen. MacDonald
 09:49:54 Mr. Sewell
 09:49:58 Sen. MacDonald
 09:50:05 Mr. Sewell
 09:50:37 Sen. MacDonald
 09:50:49 Mr. Sewell
 09:51:58 Sen. MacDonald
 09:52:11 Mr. Sewell
 09:52:38 Chair Regier
 09:52:47 Mr. Sewell
 09:53:05 Chair Regier
 09:53:15 Mr. Sewell
 09:53:32 Chair Regier
 09:53:37 Mr. Sewell

Closing by Sponsor:

09:53:48 Sen. Webb

HEARING ON HB 256

Opening Statement by Sponsor:

09:57:56 Rep. Connie Keogh (D), HD 91, opened the hearing on HB 256, Allow time of death transfer of vehicles and vessels.

[EXHIBIT\(jus38a02\)](#)

Proponents' Testimony:

10:02:21 Ross Keogh, self

10:04:20 Kristi Blazer, shareholder, Missouri River Law Office

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

10:05:59 Sen. Sands

10:06:13 Mr. Keogh, self

10:06:21 President Sales entered the hearing.

10:07:07 Chair Regier

10:07:27 Mr. Keogh

10:08:08 Chair Regier

10:08:53 Mr. Keogh

Closing by Sponsor:

10:09:32 Rep. Keogh

HEARING ON SB 253

Opening Statement by Sponsor:

10:11:06 Sen. Cary Smith (R), SD 27, opened the hearing on SB 253, Revise the tax lien and tax deed process.

[EXHIBIT\(jus38a03\)](#)

[EXHIBIT\(jus38a04\)](#)

Proponents' Testimony:

10:21:00 Clint Brown, Pacific Legal Foundation (PLF)

10:25:41 David Herbst, Americans for Prosperity

10:29:08 Chuck Denowh, United Property Owners of Montana

Opponents' Testimony:

10:30:33 Terri Kunz, county treasurer, Jefferson County

10:36:26 Rocky Haralson, Montana County Treasurers Association (MCTA)

10:38:37 Sen. Gross entered the hearing.

10:41:47 Eric Bryson, Montana Association of Counties (MACo)

10:43:11 Robert Sewell, Montana Land Title Association (MLTA)

10:45:59 Aimee Grmoljez, partner, Crowley Fleck Law Firm

Informational Testimony: None

Questions from Committee Members and Responses:

10:49:00 Chair Regier
10:49:25 Sen. Smith
10:49:41 Chair Regier
10:49:57 Sen. Smith
10:51:01 Chair Regier
10:51:13 Sen. Smith
10:52:07 Sen. Fielder
10:53:18 Mr. Haralson, MCTA
10:53:35 Mr. Brown, PLF
10:54:43 Sen. Fielder
10:54:59 Mr. Brown
10:55:23 Sen. Fielder
10:55:31 Mr. Brown
10:56:01 Sen. Fielder
10:56:36 Mr. Brown
10:58:00 Sen. Fielder
10:58:08 Mr. Brown
10:58:22 Sen. Fielder
10:59:13 Ms. Grmoljez, Crowley Fleck
11:00:06 Sen. Fielder
11:01:06 Mr. Bryson, MACo
11:01:26 President Sales
11:02:36 Sen. Smith
11:03:10 President Sales
11:03:29 Sen. Smith
11:03:33 President Sales
11:04:37 Sen. Smith

Closing by Sponsor:

11:04:47 Sen. Smith

11:11:18 Julianne Burkhardt, Legislative Services Division (LSD)
11:11:36 Sen. Smith
11:11:54 Sen. Tom Jacobson, SD 11

11:14:20 Recess
11:21:18 Reconvened

Sen. Esp was excused.

EXECUTIVE ACTION ON SB 261

11:21:41 **Motion:** Sen. Sands moved that **SB 261 DO PASS.**

Discussion:

11:21:57 Chair Regier
 11:22:03 Sen. Sands
 11:23:34 President Sales
 11:24:18 Sen. Sands
 11:24:56 Sen. Hinebauch
 11:25:04 Sen. Sands

11:26:01 **Vote:** Motion carried 7-3 by roll call vote with Sen. Hinebauch, Sen. S. Sales and Sen. Vance voting no. Sen. Esp voted by proxy.

President Sales was excused.

EXECUTIVE ACTION ON SB 262

11:27:23 **Motion:** Sen. Fielder moved that **SB 262 DO PASS.**

Discussion:

11:27:31 Ms. Burkhardt, LSD

11:28:35 **Motion:** Sen. Sands moved that **SB 262 BE AMENDED.**
[**EXHIBIT\(jus38a05\)**](#)

Discussion:

11:29:12 Chair Regier
 11:29:31 Ms. Burkhardt, LSD

11:29:51 **Vote:** Motion carried unanimously by roll call vote. Sen. Esp and Sen. S. Sales voted by proxy.

11:30:37 **Motion/Vote:** Sen. Fielder moved that **SB 262 DO PASS AS AMENDED.**
 Motion carried unanimously by roll call vote. Sen. Esp and Sen. S. Sales voted by proxy.

11:32:07 Sen. Sands
 11:32:44 Chair Regier

EXECUTIVE ACTION ON SJ 12

11:32:53 **Motion:** Sen. Fielder moved that **SJ 12 DO PASS.**

Discussion:

11:33:14 Chair Regier
 11:34:13 Sen. Sands
 11:34:32 Chair Regier

11:34:37 Without objection, Sen. Fielder withdrew the motion.

11:35:03 Chair Regier
 11:35:07 Sen. Sands

11:35:16	Chair Regier
11:35:27	Sen. MacDonald
11:35:47	Chair Regier
11:36:29	Sen. Sands

ADJOURNMENT

Adjournment: 11:37 AM

Noah Horan, Secretary

nh

Additional Documents:

Additional Documents:

EXHIBIT([jus38aad.pdf](#))

MINUTES

MONTANA SENATE 66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: Chair Keith Regier, on February 25, 2019 at 8:00 A.M., in Room 303 Capitol

ROLL CALL

Members Present:

Sen. Keith Regier, Chair (R)
Sen. Jennifer Fielder, Vice Chair (R)
Sen. Diane Sands, Vice Chair (D)
Sen. Bryce Bennett (D)
Sen. John Esp (R)
Sen. Jen Gross (D)
Sen. Steve Hinebaugh (R)
Sen. Margaret (Margie) MacDonald (D)
Sen. Gordon Vance (R)

Members Excused: Sen. Scott Sales (R)

Members Absent: None

Staff Present: Julianne Burkhardt, Legislative Branch
Noah Horan, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 304, 2/15/2019; SB 308, 2/15/2019

Executive Action: SJ 12 DO PASS; SB 276 DO PASS; SB 253 DO PASS AS AMENDED

HEARING ON SB 304

Opening Statement by Sponsor:

08:02:04 Sen. Roger Webb (R), SD 23, opened the hearing on SB 304, Authorize concealed carry for legislators, & sergeants-at-arms & their deputies.

Proponents' Testimony: None

08:03:20 Sen. Bennett entered the hearing.

Opponents' Testimony:

08:03:25 John Mott, self

[EXHIBIT\(jus40a01\)](#)

[EXHIBIT\(jus40a02\)](#)

08:08:30 Paulette Kohman, Moms Demand Action

08:14:53 Eric Feaver, Montana Federation of Public Employees (MFPE)

Informational Testimony: None

Questions from Committee Members and Responses:

08:16:19 Sen. Sands
08:16:51 Sen. Webb
08:16:54 Sen. Sands
08:17:03 Sen. Webb
08:17:26 Sen. Sands
08:17:38 Sen. Webb
08:17:46 Sen. Sands
08:18:08 Sen. Webb
08:18:14 Sen. Sands
08:18:20 Sen. Webb
08:18:29 Sen. Hinebauch
08:18:58 Mr. Mott, self
08:19:16 Chair Regier
08:19:28 Ms. Kohman, Moms Demand Action
08:19:36 Chair Regier
08:19:48 Ms. Kohman
08:20:01 Chair Regier
08:20:04 Ms. Kohman
08:20:16 Chair Regier
08:20:21 Ms. Kohman
08:20:30 Sen. Sands
08:21:18 Sen. Webb
08:21:26 Sen. Sands
08:21:29 Sen. Webb
08:21:30 Sen. Sands
08:21:57 Sen. Webb
08:22:06 Sen. Sands
08:22:19 Sen. Webb
08:22:31 Sen. MacDonald

08:23:31 Jerry Williams, Montana Police Protective Association (MPPA)
 08:23:39 Sen. MacDonald
 08:24:10 Mr. Williams, MPPA
 08:25:26 Sen. Gross
 08:25:54 Mr. Feaver, MFPE

Closing by Sponsor:

08:26:28 Sen. Webb

HEARING ON SB 308

Opening Statement by Sponsor:

08:33:12 Sen. Roger Webb (R), SD 23, opened the hearing on SB 308, Revise Montana residential mobile home lot rental act.

Proponents' Testimony:

08:34:59 John Sinrud, Montana Landlords Association (MLA)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

08:39:59 Sen. Bennett
 08:40:30 Sen. Webb
 08:40:35 Sen. Bennett
 08:40:53 Sen. Webb
 08:41:00 Mr. Sinrud, MLA
 08:41:20 Sen. Bennett
 08:41:50 Mr. Sinrud
 08:42:26 Sen. MacDonald
 08:42:53 Mr. Sinrud
 08:43:12 Sen. MacDonald
 08:43:32 Mr. Sinrud
 08:44:30 Sen. MacDonald
 08:44:44 Mr. Sinrud
 08:44:52 Sen. MacDonald
 08:44:58 Mr. Sinrud
 08:45:43 Sen. Sands

 08:46:04 Sen. Fielder entered the hearing.

 08:46:32 Mr. Sinrud
 08:47:53 Sen. Sands
 08:48:04 Mr. Sinrud

Closing by Sponsor:

08:48:31 Sen. Webb

08:50:10 Recess
09:01:42 Reconvened

EXECUTIVE ACTION ON SJ 12

09:02:17 **Motion:** Sen. Fielder moved that **SJ 12 DO PASS.**

Discussion:

09:02:41 Sen. MacDonald
09:03:10 Chair Regier

09:04:59 **Vote:** Motion carried unanimously by voice vote. Sen. S. Sales voted by proxy.

EXECUTIVE ACTION ON SB 276

09:05:37 **Motion:** Sen. Fielder moved that **SB 276 DO PASS.**

Discussion:

09:06:01 Sen. MacDonald
09:07:23 Chair Regier
09:07:28 Sen. MacDonald
09:07:34 Sen. Fielder
09:07:50 Chair Regier
09:08:18 Sen. Sands

09:09:01 **Vote:** Motion carried 9-1 by roll call vote with Sen. MacDonald voting no. Sen. S. Sales voted by proxy.

EXECUTIVE ACTION ON SB 253

09:10:45 Julianne Burkhardt, Legislative Services Division (LSD)

09:11:05 **Motion:** Sen. Fielder moved that **SB 253 DO PASS.**

09:11:17 **Motion:** Sen. Fielder moved that **SB 253 BE AMENDED.**

[**EXHIBIT\(jus40a03\)**](#)

Discussion:

09:17:14 Chair Regier
09:17:22 Sen. Fielder
09:17:36 Chair Regier
09:17:43 Sen. Fielder
09:17:48 Chair Regier
09:18:00 Sen. Fielder
09:18:24 Chair Regier
09:18:33 Sen. Esp
09:18:58 Chair Regier
09:19:07 Sen. Fielder
09:19:32 Chair Regier
09:20:03 Sen. Fielder

09:20:16 Chair Regier
09:20:24 Sen. Sands
09:20:56 Sen. Bennett
09:21:58 Sen. Fielder

09:22:34 **Vote:** Motion carried 9-1 by roll call vote with Sen. Bennett voting no. Sen. S. Sales voted by proxy.

09:23:13 **Motion/Vote:** Sen. Fielder moved that **SB 253 DO PASS AS AMENDED**. Motion carried unanimously by roll call vote. Sen. S. Sales voted by proxy.

09:24:33 Sen. Esp
09:24:58 Sen. MacDonald
09:25:18 Sen. Esp
09:25:33 Sen. MacDonald
09:25:46 Chair Regier

ADJOURNMENT

Adjournment: 9:26 AM

Noah Horan, Secretary

nh

Additional Documents:

Additional Documents:

EXHIBIT([jus40aad.pdf](#))

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: Chair Geraldine Custer, on March 21, 2019 at 3:00 PM, in Room 472
Capitol

ROLL CALL

Members Present:

Rep. Geraldine Custer, Chair (R)
Rep. Dave Fern, Vice Chair (D)
Rep. Steve Gunderson, Vice Chair (R)
Rep. Greg DeVries (R)
Rep. Frank Garner (R)
Rep. Bruce Grubbs (R)
Rep. Emma Kerr-Carpenter (D)
Rep. Jasmine Krotkov (D)
Rep. Theresa Manzella (R)
Rep. Marilyn Marler (D)
Rep. Christopher Pope (D)
Rep. Derek Skees (R)
Rep. Daniel Zolnikov (R)

Members Excused: Rep. Frank Fleming (R)
Rep. Rodney Garcia (R)
Rep. Derek J. Harvey (D)
Rep. Casey Schreiner (D)

Members Absent: None

Staff Present: Ginger Aldrich, Legislative Branch
Chris Bushnell, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 315, 3/13/2019; SB 276, 3/13/2019; SJ 3, 3/13/2019
Executive Action: SB 163; SB 243

14:36:37 Chair Custer
14:37:34 Recessed
15:04:26 Reconvened with Rep. Fleming, Rep. Harvey, and Rep. Garcia present, and with Rep. Zolnikov excused.

HEARING ON SB 315

Opening Statement by Sponsor:

15:05:00 Sen. Scott Sales (R), SD 35, opened the hearing on SB 315, Revise laws on public defender assignments related to local ordinances.

Proponents' Testimony:

15:07:36 Sen. Osmundson, SD15
15:09:31 Eric Bryson, Montana Association of Counties (MACo)

[EXHIBIT\(loh58a01\)](#)

[EXHIBIT\(loh58a02\)](#)

15:18:32 Jackie Jones, Montana County Attorneys Association

Opponents' Testimony:

15:19:32 Tim Burton, Montana League of Cities and Towns (MLCT)
15:24:57 Bill Cole, Mayor of Billings

Informational Testimony:

15:27:19 Peter Ohman, Office of the State Public Defender (SPD)

Questions from Committee Members and Responses:

15:27:36 Vice Chair Fern
15:28:10 Peter Ohman, OPD
15:30:37 Rep. Garner
15:30:58 Sen. Sales
15:31:14 Rep. Garner
15:31:22 Sen. Sales
15:31:46 Rep. Garner
15:32:09 Tim Burton, MLCT
15:33:03 Rep. Garner
15:33:26 Tim Burton, MLCT
15:33:46 Rep. Garner
15:34:06 Peter Ohman, OPD
15:35:03 Tim Burton, MLCT
15:35:59 Rep. Kerr-Carpenter
15:36:48 Mayor Cole, City of Billings
15:37:36 Chris Kukulski, City of Billings
15:38:21 Rep. Garner
15:39:23 Tim Burton, MLCT
15:40:40 Rep. Garner
15:41:15 Tim Burton, MLCT
15:42:03 Rep. Garner

15:42:59 Tim Burton, MLCT
15:44:08 Rep. Garner
15:45:09 Tim Burton, MLCT
15:46:02 Vice Chair Gunderson
15:46:23 Tim Burton, MLCT
15:48:13 Vice Chair Gunderson
15:48:31 Peter Ohman, OPD
15:49:46 Vice Chair Gunderson
15:50:04 Peter Ohman, OPD
15:51:11 Chair Custer
15:51:41 Peter Ohman, OPD
15:52:59 Chair Custer
15:53:09 Peter Ohman, OPD
15:53:47 Rep. Pope
15:54:25 Peter Ohman, OPD
15:54:41 Rep. Pope
15:55:23 Peter Ohman, OPD
15:56:40 Chair Custer
15:56:59 Sen. Sales

Closing by Sponsor:

15:57:10 Sen. Sales

HEARING ON SJ 3

Opening Statement by Sponsor:

16:00:31 Sen. Fred Thomas (R), SD 44, opened the hearing on S J3, Interim study on optional septic drain fields.

[EXHIBIT\(loh58a03\)](#)

Proponents' Testimony:

16:03:08 Sen. Bob Keenan, SD 5
16:04:20 Brian Thompson, Presby Environmental
16:05:32 Sam Sill, Montana Association of Realtors

[EXHIBIT\(loh58a04\)](#)

16:06:26 Justin Buchanan, E-On Northwest
16:08:31 Amanda Knuteson, Eliminite, Inc.

Opponents' Testimony: None

Informational Testimony:

16:10:27 Kevin Smith, Montana Department of Environmental Equality (DEQ)

Questions from Committee Members and Responses:

16:10:58 Rep. Skees
16:12:08 Sen. Thomas
16:14:35 Rep. Skees
16:15:24 Sen. Thomas

16:15:46 Vice Chair Fern
16:16:36 Rep. Marler
16:17:04 Sen. Thomas
16:18:17 Vice Chair Gunderson
16:18:44 Kevin Smith, DEQ

Closing by Sponsor:

16:19:01 Sen. Thomas

HEARING ON SB 276

Opening Statement by Sponsor:

16:19:49 Sen. Roger Webb (R), SD 23, opened the hearing on SB 276, Revise laws related to condos and townhouses.

EXHIBIT(loh58a05)

16:22:34 Rep. Manzella left the meeting.

Proponents' Testimony:

16:25:02 William Gowen, Montana Land Title Association (MLTA)
16:29:38 Sam Sill, Montana Association of Realtors
16:30:52 Steve Turkiewicz, Montana Bankers Association (MBA)
16:31:51 Kelly Lynch, Montana League of Cities and Towns (MLCT)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

16:32:44 Vice Chair Fern
16:33:21 Sen. Webb
16:33:33 Vice Chair Fern
16:33:56 Sen. Webb
16:34:27 Rep. Skees
16:35:09 William Gowan, MLTA
16:36:14 Rep. Skees
16:36:44 Rep. Manzella entered the meeting.
16:36:53 William Gowan, MLTA
16:37:46 Rep. Skees
16:38:40 William Gowan, MLTA
16:39:30 Rep. Skees
16:39:48 William Gowan, MLTA
16:40:46 Rep. Skees
16:41:40 Steve Turkiewicz, MBA
16:42:07 Kelly Lynch, MLCT
16:43:33 Rep. Skees
16:44:09 Kelly Lynch, MLCT
16:44:38 Chair Custer
16:45:14 William Gowan, MLTA

16:45:52 Chair Custer
16:46:20 William Gowan, MLTA
16:47:01 Rep. Garner
16:47:23 Rep. Garcia
16:47:36 Sen. Webb

Closing by Sponsor:

16:47:51 Sen. Webb

EXECUTIVE ACTION ON SB 163

16:50:28 **Motion/Vote:** Rep. Gunderson moved that **SB 163 BE CONCURRED IN**.
Motion carried unanimously by voice vote. Rep. Schreiner and Rep. Zolnikov
voted by proxy. Rep. Zolnikov will carry the bill.

EXECUTIVE ACTION ON SB 243

16:52:26 **Motion/Vote:** Rep. Gunderson moved that **SB 243 BE CONCURRED IN**.
Motion carried 14-3 by voice vote with Rep. Manzella, Rep. Skees and Rep.
Zolnikov voting no. Rep. Schreiner and Rep. Zolnikov voted by proxy. Rep.
Grubbs will carry the bill.

16:53:32 Chair Custer
16:53:50 Rep. Fern

[EXHIBIT](#)(loh58a06)

16:54:10 Chair Custer
16:55:23 Rep. Fern

ADJOURNMENT

Adjournment: 16:57:32

Chris Bushnell, Secretary

cb

Additional Documents:

EXHIBIT([loh58aad.pdf](#))

5B276

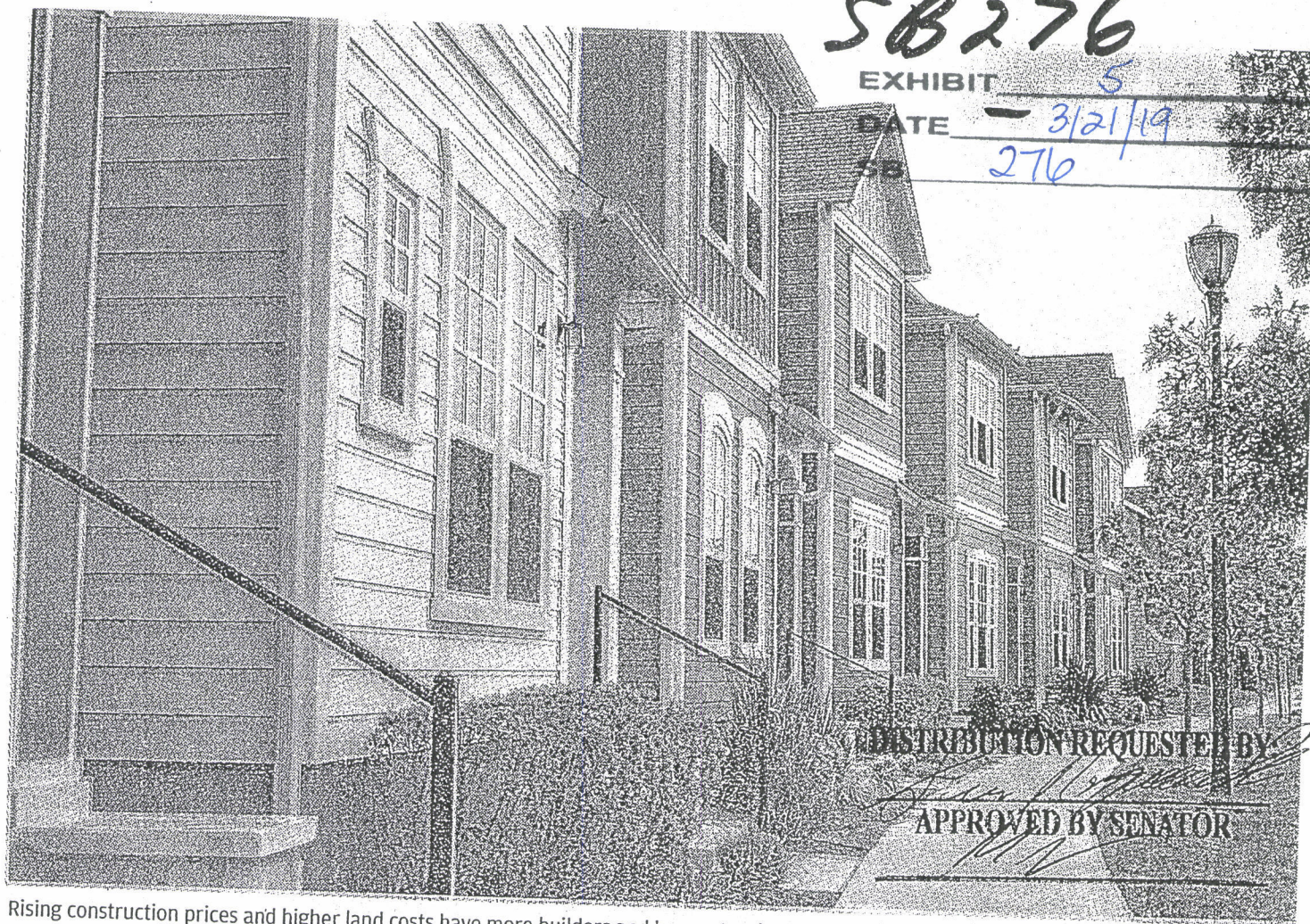
EXHIBIT

DATE

3/21/19

5B

276



DISTRIBUTION REQUESTED BY

APPROVED BY SENATOR

Rising construction prices and higher land costs have more builders and buyers turning to the high-density urban models.

Townhouses are increasingly the place to call home nationwide

STEVE BROWN

The Dallas Morning News (TNS)

The house of tomorrow may be a townhouse.

Rising construction prices and higher land costs have more builders and buyers turning to the high-density urban models.

Young buyers like the central location of most townhouses, too.

"If you look at the last four quarters of data of production of townhomes, the single-family attached market is up 24 percent," said Robert Dietz, chief economist of the National Association of Home Builders. "It's growing eight times as fast as the

overall single-family market."

With new home prices soaring, builders are hunting ways to produce more affordable houses. But finding land priced right for traditional homes — particularly in urban markets — is a challenge.

Townhouses are increasingly an option, Dietz said.

"Townhouse construction tends to be a little smaller and more entry-level-market and more dense," he said. "We see this as a great growth potential for the home building market."

Townhouse starts totaled 14 percent of the total building market in 2018 — tied for the highest rate of construction ever,

according to the NAHB.

"It's the way out of some of those supply side headwinds," he said at the building industry's annual meeting in Las Vegas. "This kind of home is selling."

"It's just a question of whether builders can build it."

Builders often have to compete with apartment developers for townhouse land. And cities can lag in providing proper zoning for the product.

There can be pushback from traditional homeowners, too.

When a large new home community in Fort Worth, Texas, recently added townhouses to its offering mix, homeowners in

the development protested the move.

Empty nesters seeking to downsize are also attracted to the smaller homes.

Danushka Nanayakkara of the NAHB's forecasting and analysis department said the industry is forecasting continued townhouse growth.

"This is a very appealing market for the millennials that want to walk to work and restaurants in an urban location," she said. "It's a way for builders to have more density."

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10 value-enhancing projects for older homes

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: Chair Geraldine Custer, on March 26, 2019 at 3:00 PM, in Room 472
Capitol

ROLL CALL

Members Present:

Rep. Geraldine Custer, Chair (R)
Rep. Dave Fern, Vice Chair (D)
Rep. Greg DeVries (R)
Rep. Frank Fleming (R)
Rep. Frank Garner (R)
Rep. Bruce Grubbs (R)
Rep. Derek J. Harvey (D)
Rep. Emma Kerr-Carpenter (D)
Rep. Jasmine Krotkov (D)
Rep. Marilyn Marler (D)
Rep. Christopher Pope (D)
Rep. Derek Skees (R)

Members Excused: Rep. Steve Gunderson, Vice Chair (R)
Rep. Rodney Garcia (R)
Rep. Theresa Manzella (R)
Rep. Casey Schreiner (D)
Rep. Daniel Zolnikov (R)

Members Absent: None

Staff Present: Ginger Aldrich, Legislative Branch
Chris Bushnell, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 200, 3/18/2019; SB 302, 3/18/2019

Executive Action: HB 494; SJ3; SB 179; SB 198; SB 276

HEARING ON SB 200

Opening Statement by Sponsor:

15:02:54 Sen. Roger Webb (R), SD 23, opened the hearing on SB200, Provide for equal classification of homes on a foundation.

Proponents' Testimony:

15:04:32 Stuart Doggett, Montana Manufactured Housing & Recreational Vehicle Association (MMH & RV)

Opponents' Testimony: None

Informational Testimony:

15:06:01 Kory Hofland, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

15:06:41 Vice Chair Fern

15:07:06 Sen. Webb

15:07:12 Vice Chair Fern

15:07:20 Sen. Webb

15:08:59 Rep. Skees

15:09:43 Kory Hofland, DOR

15:11:48 Rep. Skees

15:12:43 Kory Hofland, DOR

15:13:37 Rep. Skees

15:14:06 Sen. Webb

15:15:28 Rep. Skees

15:15:58 Sen. Webb

15:16:07 Rep. Pope

15:17:01 Sen. Webb

15:17:40 Rep. Pope

15:18:00 Sen. Webb

15:18:10 Rep. Fern

15:18:28 Chair Custer

15:18:35 Rep. Zolnikov entered the meeting.

15:18:36 Rep. Garcia entered the meeting.

15:18:42 Sen. Webb

15:19:00 Chair Custer

15:19:11 Sen. Webb

Closing by Sponsor:

15:19:25 Sen. Webb

HEARING ON SB 302

Opening Statement by Sponsor:

15:19:40 Sen. John Esp (R), SD 30, opened the hearing on SB302, Generally revise laws related to local government budgeting and accounting.

Proponents' Testimony:

15:23:47 Eric Bryson, Montana Association of Counties (MACo)
15:27:52 Kelly Lynch, Montana League of Cities and Towns (MLCT)

Opponents' Testimony: None**Informational Testimony:**

15:33:52 Chet McLean, Montana Department of Administration (DOA)

Questions from Committee Members and Responses:

15:34:12 Rep. Fern
15:35:09 Kelly Lynch, MLCT
15:36:19 Rep. Garcia
15:36:46 Sen. Esp
15:36:51 Rep. Garcia
15:36:56 Sen. Esp
15:37:24 Rep. Garcia
15:37:30 Sen. Esp
15:37:43 Rep. Garcia
15:38:01 Sen. Esp
15:38:15 Kelly Lynch, MLCT
15:39:09 Rep. Garcia
15:39:22 Kelly Lynch MLCT
15:40:00 Rep. Kerr-Carpenter
15:40:32 Chet McLean, DOA
15:41:45 Rep. Kerr-Carpenter
15:41:49 Chet McLean, DOA
15:42:20 Rep. Pope
15:42:40 Sen. Esp
15:42:54 Rep. Pope
15:43:29 Sen. Esp
15:44:05 Rep. Skees
15:44:33 Eric Bryson, MACo
15:44:48 Rep. Skees
15:45:06 Eric Bryson, MACo
15:45:59 Rep. Skees
15:46:11 Eric Bryson, MACo
15:47:00 Rep. Skees
15:47:18 Eric Bryson, MACo
15:48:18 Chair Custer
15:49:40 Chet McLean, DOA
15:50:04 Chair Custer
15:50:28 Chet McLean

Closing by Sponsor:

15:50:42 Sen. Esp

15:51:20 Chair Custer
15:51:55 Joe Carroll, Legislative Services Division (LSD)

15:52:55 Vice Chair Gunderson entered the meeting.

15:54:12 Rep. Fern
15:54:36 Joe Carroll, LSD
15:55:07 Rep. Skees
15:55:19 Joe Carroll, LSD
15:55:35 Ginger Aldrich, Legislative Services Division (LSD)
15:55:55 Chair Custer
15:56:12 Ginger Aldrich, LSD
16:00:32 Rep. Marler
16:00:35 Chair Custer

16:00:58 Recessed
16:27:34 Reconvened

EXECUTIVE ACTION ON HB 494

16:27:50 **Motion:** Rep. Gunderson moved that **HB 494 DO PASS.**

16:28:12 **Substitute Motion/Vote:** Rep. Garner made a substitute motion that **HB 494 BE TABLED.** Substitute Motion carried 10-7 by roll call vote with Rep. Fern, Rep. Harvey, Rep. Kerr-Carpenter, Rep. Krotkov, Rep. Marler, Rep. Pope and Rep. Schreiner voting no. Rep. Manzella and Rep. Schreiner voted by proxy.

EXECUTIVE ACTION ON SB 179

16:30:09 **Motion:** Rep. Gunderson moved that **SB 179 DO PASS.**

16:30:33 **Motion:** Rep. Gunderson moved that **SB 179 BE AMENDED.**
[EXHIBIT\(loh62a01\)](#)

Discussion:

16:30:53 Ginger Aldrich, LSD

16:31:44 **Vote:** Motion carried unanimously by voice vote. Rep. Manzella and Rep. Schreiner voted by proxy.

16:32:07 **Motion:** Rep. Gunderson moved that **SB 179 BE AMENDED.**
[EXHIBIT\(loh62a02\)](#)

Discussion:

16:32:28 Ginger Aldrich, LSD

16:33:00 **Vote:** Motion carried unanimously by voice vote. Rep. Manzella and Rep. Schreiner voted by proxy.

16:33:28 **Motion:** Rep. Gunderson moved that **SB 179 DO PASS AS AMENDED.**

16:33:35 **Substitute Motion/Vote:** Rep. Grubbs made a substitute motion that **SB 179 BE TABLED**. Substitute Motion carried 12-5 by roll call vote with Rep. DeVries, Rep. Fleming, Rep. Garcia, Rep. Skees and Rep. Zolnikov voting no. Rep. Manzella and Rep. Schreiner voted by proxy.

EXECUTIVE ACTION ON SB 198

16:35:06 **Motion:** Rep. Gunderson moved that **SB 198 DO PASS**.

16:35:23 **Substitute Motion/Vote:** Rep. Fern made a substitute motion that **SB 198 BE TABLED**. Substitute Motion carried 16-1 by voice vote with Rep. Zolnikov voting no. Rep. Manzella and Rep. Schreiner voted by proxy.

EXECUTIVE ACTION ON SJ 3

16:36:04 **Motion:** Rep. Gunderson moved that **SJ 3 DO PASS**.

16:36:20 **Motion/Vote:** Rep. Fern moved that **SJ 3 BE AMENDED**. Motion carried unanimously by voice vote. Rep. Manzella and Rep. Schreiner voted by proxy.
[EXHIBIT\(lah62a03\)](#)

16:37:00 **Motion/Vote:** Rep. Gunderson moved that **SJ 3 DO PASS AS AMENDED**. Motion carried 16-1 by voice vote with Rep. DeVries voting no. Rep. Manzella and Rep. Schreiner voted by proxy. Rep. Fern will carry.

EXECUTIVE ACTION ON SB 276

16:37:50 **Motion:** Rep. Gunderson moved that **SB 276 DO PASS**.

16:38:11 **Motion:** Rep. Gunderson moved that **SB 276 BE AMENDED**.
[EXHIBIT\(lah62a04\)](#)

Discussion:

16:38:25 Rep. Skees

16:38:46 **Vote:** Motion carried 16-1 by voice vote with Rep. Zolnikov voting no. Rep. Manzella and Rep. Schreiner voted by proxy.

16:39:10 **Motion/Vote:** Rep. Gunderson moved that **SB 276 DO PASS AS AMENDED**. Motion carried unanimously by voice vote. Rep. Manzella and Rep. Schreiner voted by proxy.

16:39:45 Ginger Aldrich, LSD

16:40:15 Rep. Skees

16:40:35 Rep. Zolnikov

16:40:49 Rep. Garner

16:41:00 Chair Custer

ADJOURNMENT

Adjournment: 16:41:16

Chris Bushnell, Secretary

cb

Additional Documents:

EXHIBIT([loh62aad.pdf](#))

Amendments to Senate Bill No. 276
3rd Reading Copy

Requested by Senator Roger Webb

For the House Local Government Committee

Prepared by K.V. Aldrich
March 26, 2019 (1:23pm)

1. Title, page 1, line 9.

Following: "DEFINITIONS;"

Insert: "AND"

2. Title, page 1, line 9 through line 10.

Following: "MCA"

Strike: "; AND" on line 9 through "DATE" on line 10

3. Page 2, line 13.

Following: "(iv) a"

Insert: "surveyed"

Following: "that"

Insert: ":"

(A) "

4. Page 2, line 14.

Following: "conversion;"

Insert: "and"

5. Page 2, line 15.

Strike: "(v) a survey depicting"

Insert: "(B) depicts"

6. Page 2, line 17.

Strike: "(vi) "

Insert: "(v) "

7. Page 3, line 5.

Following: "the"

Insert: "surveyed"

Following: ";"

Insert: "and"

8. Page 3, line 6.

Strike: subsection (iv)

ReNUMBER: subsequent subsections

9. Page 4, line 11.

Following: "a"

Insert: "surveyed"

Following: ";"

Insert: "and"

10. Page 4, line 12.

Strike: subsection (e)

ReNUMBER: subsequent subsections

11. Page 5, line 8.

Strike: "survey"

Insert: "surveyed site plan"

Strike: "1(2)(a)(v)"

Insert: "1(2)(a)(iv)"

12. Page 5, line 9.

Following: "on the"

Insert: "surveyed"

13. Page 5, line 18.

Following: "by the"

Strike: "survey"

Insert: "surveyed site plan"

Strike: "1(2)(a)(v)"

Insert: "1(2)(a)(iv)"

14. Page 6, line 4.

Insert: "NEW SECTION. Section 5. Nonapplicability -- building codes -- zoning regulations. Nothing in [sections 1 through 5] may be interpreted to modify, expand, or abrogate the applicability of state or local building codes or zoning regulations to a condominium, townhome, townhouse, or conversion."

ReNUMBER: subsequent sections

15. Page 9, line 7.

Strike: "4"

Insert: "5"

16. Page 9, line 9.

Strike: "4"

Insert: "5"

17. Page 9, line 11.

Strike: section 9 in its entirety

ReNUMBER: subsequent sections

- END -

Explanation - This amendment does the following:

- (1) consolidates references to the site plan and the survey to the "surveyed site plan" throughout;
- (2) inserts a provision stating that the act cannot be interpreted to modify, expand, or abrogate the applicability of state or local building codes or zoning regulations to a condo, townhome, townhouse, or conversion; and
- (3) removes immediate effective date.